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Russia: Yeltsin Answers Readers' Questions

MM2105122396 Moscow ROSSIYSKIYE VESTI Saturday Edition in Russian 18 May 96 pp 1,3

[Feature comprising Boris Yeltsin's answers to ROSSIYSKIYE VESTI readers' questions: "President Boris Yeltsin Replies to Voters"]

[FBIS Translated Text] Since ROSSIYSKIYE VESTI announced the start of the paper's readers' direct pre-election dialogue with the President (20 February 1996) the editorial office has daily received dozens of letters from people wanting to put questions to the head of state or inform him of something.

Boris Yeltsin has already appeared in the paper answering what were probably our readers' most telling questions, concerning major political problems (4 April 1996).

Today the president's meeting with his voters in our paper is devoted to an extremely interesting topic, which, for our purposes, we might call: "Leader — Human Being and Major Politician." What does the head of state's work involve from the viewpoint of the Constitution? What is the other, human side of these responsibilities? What is the head of state's assessment of himself and other contenders for the post today, at the height of the election campaign? The questions are psychologically very interesting and dramatic in themselves and the answers to them eloquently describe the personality of the president as politician and as human being.

Therefore it is not surprising that there are so many of them in the "Ask the President, Tell the President" mail. Russians ask the head of state about this also when they meet him. Boris Yeltsin's answers to them were published in the recent book "Voters Put 57 Questions to the President."

What Does Russian Mean to Me?

Many fine words could be said.

I am not good at that. I will talk about something else.

When the putsch began on 19 August 1991 and the order was given for my incarceration and perhaps even elimination, I decided nonetheless to travel to Moscow.

My wife was desperately worried about me and my comrades, and she said: "Where are you going? There are tanks there and they won't let you through..."

I had to say something, so I said: "We have a Russian flag on the car. They won't stop us."

I well remember the feeling when I tried to think what to say to my wife, how to reassure her, and I suddenly latched on to the idea of that flag.

Such a small thing.

But in that atmosphere of uncertainty, treachery, and mortal danger that flag was something real and significant.

Certainly that feeling also gripped those around me. We had something to fight for — for that Russian flag, for our hope and faith in a great country's future, in an honest and good future.

What Is the President's Job?

I can answer that question very briefly and at great length. But it would still be difficult to convey the feeling of responsibility that accompanies every step, every decision, every word.

It has always been said of Russia that it is "great and rich, but there is no order in it."

So the president's main job is to keep Russia great and rich, to take care of the people, and supervise order in the country.

There is an entire chapter — chapter 4 — in the Russian Federation Constitution devoted to the functions and duties of the president.

In accordance with its articles, the president is the head of state and guarantor of the Russian Federation Constitution and human and civic rights and freedoms.

In the manner laid down by the Russian Constitution the president adopts measures to protect the Russian Federation's sovereignty and its independence and state integrity and ensure the smooth functioning of, and interaction between, organs of state authority.

The Russian Federation president determines the main areas of the state's domestic and foreign policy.

There follows a list of the president's rights and duties:

"...appoints the government chairman, with the consent of the State Duma....

"appoints deputy chairmen of the Russian Federation Government and federal ministers;

"forms and heads the Russian Federation Security Council...approves the Russian Federation's military doctrine....

...appoints and dismisses the Russian Federation Armed Forces high command....

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"calls State Duma elections in accordance with the Russian Federation Constitution and federal law....

"...calls a referendum...signs and promulgates federal laws....

"...is supreme commander in chief of the Russian Federation armed forces....

"In the event of aggression against the Russian Federation...introduces martial law....

"...awards state awards...issues pardons..." and so on, running to some 50 points....

The daily round is one of work, meetings, papers, visits, receptions, appointments, edicts... a whole series of major and minor items of business.

At 0830 hours my principal assistant normally comes into my office. That is the way every day begins. He places before me a file containing the most urgent documents, we discuss the schedule for the day, and we make some adjustments. In the evening, sometimes very late, just before I leave the Kremlin, he reappears and presents me with a thick file of documents, prepared during that day by the government and my Staff.

That is my work for the night....

The president's job not only has a formal aspect, it has another side to it as well.

In the first place, normal, everyday human life suffers.

Second, there are many temptations to spoil yourself and those around you.

And third, something that is little mentioned for some reason, the "number one," as a rule, has no close friends. You shut yourself off and you become unbelievably wary in contacts with people.

In fact, the president cannot do many things he would be able to do in normal life.

I would like to go on a river trip — the whole family often used to boat on mountain rivers in the Urals. It does not happen now. We would have to take a whole security fleet along, and of course the brief-case containing the "nuclear button."

You need to fly in the same helicopter as the prime minister — but you can't. You have to be in separate aircraft. You have to be prepared for any emergency.

All simple, basic, elementary, you might say. Why make a big thing of it — that is the way all presidents live.

One thing is helpful — meetings with people, contact with real life. They are a fine way of recharging my batteries. Therefore I often interrupt my official schedule and simply go and meet people.

What Helps Me To Believe, Live, and Hope

This may sound rather solemn, but, to be honest, what helps me to live is faith, hope, and love. Faith in our people, hope for a better future, and love of Russia.

I believe in our "independent peasants," as they used to say in the countryside, who do not expect any favors from the authorities or from nature and work hard. They are everywhere, and there are more and more of these independent people with each passing day.

I believe in our amazing, wise women, the most beautiful on Earth — our mothers, our wives, our loved ones.

I believe in our talent, our unique qualities, our native intelligence. The years of leveling and uniformity of opinion have not driven out the bold and the talented!

I believe that the bomb of civil war and violence cannot explode. Because we, ethnic Russians and Russians in the broad sense, have become more normal, more cultivated, and, if you like, nicer. And, perhaps, more enlightened.

What I Would Be Unable To Forgive Myself for

The worst moments for me are when I realize that I, the president, can do nothing....

It happened during the 1993 May Day celebrations, when someone in the crowd sent a truck careering toward police officer Vladimir Tolokneyev and killed him.

It happened when Rutskoy ordered the storming of Ostankino and people went crazy, using trucks to ram the glass windows of the ground floor and shooting at the police.

It happens when I face piles of terrible reports on my desk concerning people killed and wounded in Chechnya.

I cannot forgive myself for that feeling of impotence, when the president — the top man in the state, the holder of immense power — cannot feed everyone straight away, give everyone the housing they need, save children dying of cancer, stay the hand of a bandit, prevent a terrorist's bullet aimed at one of our soldiers from striking home....

At moments like these all our state programs, our structures and organs, and our big decisions appear cumbersome and unwieldy, always too late in reaching the actual people.

But I pull myself together and know that I must work.

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Boris Yeltsin might be able lose heart. But the Russian president — never.

What Do I Think Of Those Who Betrayed Me?

I have encountered treachery so many times, but it still hurts a great deal.

It takes me a while to get used to people and I do not start trusting them straight away, which makes it all the more difficult to start believing they are treacherous [sentence as published]. How is that? We meet, we smile at one another, we discuss problems of real importance top Russia, and we come up with some ideas, but when they leave me they perform a U-turn and start tackling their own business and satisfying their own ambitions at the expense of state interests.

I have never wanted to look on the black side. But I have to.

If a man has broken the law he must pay for it in accordance with the law. If he has violated the principles of honesty, trust, and friendship, God will be his judge.

What Do I Think about the Presidential Contenders?

There are many contenders at the moment. But in order not to offend anyone I will paint a collective picture.

The contender very much likes being in charge — of the economy, the state, the party or the army. But he likes even more being in the public eye and being liked by people and journalists, and therefore he promises to give every voter whatever he wants. Abroad, at home, at rallies and in intimate gatherings, among colleagues — he presents many faces. But in his speeches he shoots straight from the hip: ban, jail, disperse, expel, freeze, halt, dispossess, distribute, and so on, in the same vein. He is not sure at the moment how long his political star will shine, so he is in a big hurry.

Probably this is fine when people set themselves big aims, set the bar high.

Psychologists say that everyone has a growth crisis every 5-10 years, a reappraisal of values and review of life goals.

At 16 everyone believes he can be a great actor. At 25 that he will be as rich as Croesus and marry the most beautiful woman in the world. At 35 some believe that they are bound to become their country's president. Many succeed. But not all. And the most amazing thing is that someone actually becomes president eventually!

Concerning the Election Result

It is hard to say at the moment who will be president after me. But it is clear that it will be someone of a different era, born after the war, and probably someone with a different education and career. The leaders who were in charge in the communist or postcommunist era will leave the stage, one after the other.

Russian politics is waiting for new leaders. Bright young men with good education and common sense. The new generation must come the fore as quickly as possible. The leaders of the stagnation era were able to "take a punch," which is important. But they certainly did not have agile minds. And quick decision-making was not their forte either. We will not get very far without those qualities.

Sooner or later I will quit the political scene. I will go in accordance with standing orders, with the Constitution, with the law. I want to establish a precedent of the normal, civilized, quiet departure of a politician.

But as long as Russia needs me I will remain — in accordance with the standing order, the Constitution, and the law.

Five years ago I assumed responsibility for our decision, for our choice, for our Russia. For five years we have walked together. For five years our life has been tough and hard. So at this crucial time for the country I have no right to release the helm of the Russian state. But in order to be able to see the job through I need your votes. I say this honestly and openly, without shame and without deceit.

Only by sticking together will we win.

Russia: Kremlin Mailbag Still Favoring Yeltsin

MM2205115296 Moscow ROSSIYSKIYE VESTI in Russian 22 May 96 p 1

[Editorial feature under the "What They Are Writing to the Kremlin About" rubric: "Only Present Head of State Can Guarantee Continuation of Reforms"]

[FBIS Translated Text] The topic of the upcoming election remains the center of attention: The country's leadership received 533 letters 12 through 18 May, a total of 5,758 having been received since the start of the year. More and more Russians are realizing that the results of the 16 June vote will determine Russia's future. Will it continue to develop democracy and the market economy? That, as writers point out, will depend to a large extent on who is head of state.

Two-thirds of the letter-writers who expressed their attitude to Boris Yeltsin see him as guarantor of the transformations under way. "Our collective appreciates that it is tough going for the reforms, but they are making headway. We are sure that the experience accumulated will help you, Boris Nikolayevich, to implement planned programs which will overcome

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the country's crisis," writes V. Zakroyev, director of Kemerovo Oblast's Tyazhinskiy Rayon Housing and Municipal Services Production Association.

The letters cite factors which have boosted the president's ratings of late. Yeltsin's vigorous campaigning is to the fore here: His appearances on television and his trips to the regions, which make it possible for him to understand ordinary people's needs and aspirations better and to take real measures to improve Russians' lives.

Judging by the mailbag, the Russian president's congratulations to war veterans on Victory Day produced a big impact on the public. Dozens of responses have already been received. "Many thanks for your sincere concern for the war disabled," V. Loginov writes from Samara. "I have always been an active supporter of yours and explained your policy to people. I believe that you will win the election despite the difficulties."

Meanwhile pensioner V. Melnikov from Krasnoyarsk thinks that we should not allow ourselves to be kidded by the results of polls, because "it will not be the votes of optimistic forecasters but the votes of the many thousands of inhabitants of cities and villages who live below the poverty line that will be crucial."

The president's supporters suggest that a number of specific measures need to be taken in the time remaining if certain election victory is to be ensured. First and foremost, it requires the democratic forces to rally around a single candidate. The majority, as already pointed out, think that this must be Yeltsin, and Yeltsin alone.

In the opinion of a number of correspondents, campaign organization and campaigning priorities should be reviewed. Yu. Galashevskiy from Krasnodar writes: "People are frightened by the constant increase in prices, living costs, and the complete uncertainty about the future." I. Grishin from Perm considers that the election will be won by the contender who advocates the creation of a renewed union of republics and that this thesis must not be ceded to the opposition.

The mail indicates that, notwithstanding the measures being taken, the problem of getting wages and pensions paid on time has not been resolved everywhere. Four hundred signals of this were received over the week. Some writers stress that their attitude in the election will be determined by whether this problem is solved in the days to come. The same feelings are traceable in letters from citizens tricked by various commercial financial structures and in letters from Sberbank [Bank for Labor Savings and Credit to the Population] depositors. They sometimes adopt an uncompromising stance. For example, V. Sumarokov, representative of the Russian president in Kirov Oblast, reports that the local Society for the Protection of the Population's Savings in the Sberbank intends to carry out an action designed to halt traffic on the Transiberian Railroad.

Given the increasingly charged political atmosphere and the unclear consequences of the election, a number of letter-writers think that the election could be postponed and the president's term of office extended for several years.

Students at the Plekhanov Academy and entrepreneurs V. Vorobyev and D. Ozerov urge all political blocs to overcome their ideological differences and pursue their own typically Russian path based on a sense of community and the Orthodox faith. For his part, Professor B.Kutuzov from Moscow, who has a negative attitude toward the initiative of the bankers' action group which published the "We Must Break the Deadlock" appeal, writes: "Do they really not understand that trying to persuade Zyuganov and Yeltsin to compromise is evidence of a supreme failure to think things through. And as far as the argument about possessing resources and willpower is concerned, the only influence that these nouveaux riches can exert on the people is a negative one."

Representatives of the opposition, however, think that it has a chance of winning power because the democrats have made many miscalculations and errors which have led "to a fall in living standards, unemployment, and a growth in crime."

Other presidential contenders are mentioned in the mail as follows: Zyuganov (25 times), Zhirinovskiy (seven times), Gorbachev (four times), and Lebed (three times).

There were 152 calls (1,396 since the inception) on the Voter Hot Line. Their content was similar in many respects to the election mailbag, only they contained more questions about everyday matters. Seventy instructions have been issued to date regarding demands for intervention. Twenty-five responses have already been received: Requests have been positively resolved or appropriate measures taken in 16 cases.

Russia: Analyst Says Yeltsin Stands Best Chance of Winning Election

LD2205130696 Moscow INTERFAX in English 1216 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — President Boris Yeltsin as of today stands the best chance of winning the coming presidential election, Dmitriy Olshanskiy, director of Russia's Strategic Anal-

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ysis and Forecasting Center, told a news conference in Moscow Wednesday.

He said his judgement was based on conclusions by 50 Russian political scientists and sociologists.

He said Yeltsin currently rated 8.90 on a 10-point popularity scale and that between 27 and 29 percent of the electorate was ready to vote for today's president in the June 16 election.

Communist Party leader Gennadiy Zyuganov rated 8.6, and had the support of 25 to 27 percent of the electorate.

The top two were followed by ultranationalist leader of the Liberal Democratic Party Vladimir Zhirinovskiy, retired General and Duma deputy Aleksandr Lebed and reformist Yabloko leader Grigoriy Yavlinskiy, rating 6.72, 6.21 and 6.13 respectively.

Olshanskiy said that as of today between 83 and 85 percent of Russians were going to take part in the election.

Russia: Yeltsin Seen Facing Yavlinskiy 'Ultimatum'

MK2205135496 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 May 96 p 2

[Report by the Political Department: "There Is No Point in Haggling. Yavlinskiy's Ultimatum Cannot Be Complied With"]

[FBIS Translated Text] In three days a new era will dawn in Russian history. Or it will not. Saturday, 25 May, is the deadline set for the president to fire the premier and a number of other officials. Yavlinskiy, having demanded all that in his confused ultimatum, however, did not specify that the agreement he offered must first be signed.

The agreement between the "Yabloko" movement and the rest of the democratic camp represented by Boris Yeltsin raises serious doubts from the point of view of both law and common sense. Let us try to analyze some of its provisions.

Chechnya

Topping the list of Yavlinskiy's "new policy" elements is "the actual cessation of the war in Chechnya."

The settlement plan, according to Yavlinskiy, contains nothing unconventional because the path toward peace it urges taking is the same path we attempted to tread last summer. The agreements on military matters that were reached at the time could not be implemented. As early as a month later it became clear that everything was going wrong and could never be put right. But since there are no new agreements anyway, currently it makes no difference where we start. For start we must. As to what is to be done next and how — whether to hold a referendum or to reach agreement on the status of Chechnya — this is a secondary matter.

Yavlinskiy has expressed his intention to stop the war, but he does not specify the method by which he is planning to do so, for which reason this provision of the letter does not represent an insurmountable obstacle for Yeltsin. Yeltsin himself wants to stop the war, but he does not know how. There are no differences between the candidates in this regard.

Defense Minister

Who will replace him? According to our information, the candidacies of Generals Kulikov, Shaposhnikov, Semenov, Gromov, Kobets, Lebed, and many others have already been discarded. Four people remain.

Yeltsin met with General Andrey NIKOLAYEV on 8 May. The border troops chief fits in many respects. He worked for a long time at the army staff and the central apparatus of the General Staff; from his experience of the Chechen war he knows how the border troops, the Internal Affairs Ministry, and the Defense Ministry forces should coordinate their operations; he maintains good relations with the current government and the leaders of neighboring states. Unfortunately, Nikolayev has no experience of commanding troops at the operational-strategic and strategic levels. He has commanded troops only at an army level, which is too small a scale for a defense minister. Furthermore, Nikolayev is bound to get bogged down in problems concerning military orders, the defense industry, research and development, as well as the testing of "our advanced achievements," since he has never dealt with the military-industrial sector either. But most important, he will simply be unable to tackle the Defense Ministry's mastodons. Nikolayev has very few people of his own at the Defense Ministry on whom he could rely, while it is said that he cannot harshly cut his subordinates down to size or enforce unquestioning compliance with his orders.

According to our information, Yavlinskiy gives preference to Nikolayev, but his opinion is unlikely to play a decisive role in the choice of the right candidate.

Viktor CHECHEVATOV had an interview with the president on 15 May. He has more of the requisite experience — after all, he is commander of the Far Eastern Military District. But he has made so many blunders that the military is unlikely to be pleased by his appointment. First of all, it will be recalled that he advised his officers, while commander of the Kiev Military District, to swear an oath of allegiance to Ukraine, in the belief that this simple trick would help to keep up the single Armed Forces. Officers

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who served in Ukraine obediently took the oath, after which most of them were discharged on grounds of their "non-Ukrainian" nationality. In the end they lost their jobs, careers, and apartments. It took them much effort to be reinstated in the Russian Armed Forces, while many never returned to the military. In the Far Eastern Military District, Chechevatov ruthlessly cut the troop strength in strict compliance with Grachev's instructions, but this was done so thoughtlessly that hundreds of military camps along the Russian-Chinese border were left to be ravaged and plundered. In the meantime, his military transport aviation was delivering caviar and other marine delicacies by the ton from the Petropavlovsk garrison to Moscow. The military prosecutor's office has been investigating this case for six years now, but unsuccessfully so. However, the general has a brave son, an officer at the Frunze Military Academy, who was not afraid to shoot his father's pistol at a driver who had the temerity to overtake the car of Chechevatov the Younger on Sadovoye Koltso.

Mikhail KOLESNIKOV visited the Kremlin on 7 May. The chief of the General Staff, he has experience commanding troops enough and to spare. Yet, it should be noted that precisely under Kolesnikov the General Staff has broken down nearly to the ground. The most experienced officers have left, mobilization readiness has degenerated into a sham, the Army and the Navy have been reduced so indiscriminately that the troops' combat readiness has slipped to a dangerous limit. Before the start of the war, Kolesnikov, well informed about the military situation and arms reserves in Chechnya, did not think it necessary to convey these data to the president. In the meantime, it was he, the then chief of the Organizational-Mobilization Directorate, who signed Grachev's encoded telegram that authorized local commanders to turn half the weapons and military hardware over to Dudayev and to sell the rest to him also. When the public yet again puts its favorite question — "Who left our weapons to Dudayev?" — the right answer is: "Grachev and Kolesnikov, that's who." Such "accomplishments" of the General Staff as military reform or a two-week plan for the Chechen operation were devised and put into effect with Kolesnikov's direct involvement. If Grachev is to be fired, there is no reason to replace him with a person who bears as much responsibility as the minister for the Defense Ministry's failures and mistakes.

Andrey KOKOSHIN met with Yeltsin on 10 May. The Defense Ministry's state secretary, civilian, diplomat, democrat, and analyst. He has never commanded troops and is unlikely to be able to learn to do so. He has never found a common language with the other deputy ministers, nor has he learned to stand his ground in arguments with the defense minister or the General Staff chief. He kept mum when the Defense Ministry leaders were delivering reports to the president about successfully planned operations in Chechnya and insignificant losses among servicemen, although in reality the operations were failures — and the losses, heavy. He dealt with arms and military hardware procurement and managed to bring them down to a minimum, thus earning the military-industrial sector's dislike.

Chernomyrdin

The possibility that Yeltsin will dismiss Chernomyrdin at Yavlinskiy's request is so unlikely that this does not even merit serious consideration. Yavlinskiy is not up to the task. For Yeltsin, he is a very minor figure.

A dismissal of the economy minister is another matter; this can be done right away. According to our information, Yeltsin even offered Yasin as a "payoff," but his dismissal is something Yavlinskiy needs least of all. On the contrary, Yasin is one of the few people in the government with whom Yavlinskiy could get along well at work, but this fact appears to be carefully concealed from the president.

Limitation of the President's Rights

If the president strictly complies with Yavlinskiy's requirements, events are due to evolve as follows. On 25 May Viktor Chernomyrdin leaves office. He is replaced by an acting premier who, under the Constitution, will stay in office either until Zyuganov's victory (1.5 months) or (in the event of Yeltsin's win) until he is officially approved by the State Duma as prime minister. The Duma cannot be dissolved until December 1996 if it is reluctant to confirm Yavlinskiy's candidacy. Meanwhile, it is unlikely to be willing to do so — it is simply impossible to muster 226 advocates of market reform in the lower chamber. Under the Constitution, in the event that the premier's candidacy is rejected, the next presidential proposal should be put forward within a week. Even if every nominee is proposed three times, it will take 7 candidates — the president is obliged to propose his candidates for the post of prime minister every week, starting the second week after his election. But even if the Duma is dissolved for its fussiness in December, this will not automatically make Mr. Yavlinskiy prime minister — a new State Duma election will simply be called, which will take another six months, but even in this case the game might come full circle and start all over again.

The process of making urgent amendments to the Constitution, without which a "Yabloko" government will be unable to function, could drag for years —

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this requires the support of two-thirds in both chambers of parliament. Furthermore, neither the president nor Yavlinskiy has any leverage to bring to bear: The Constitution simply does not envision a dissolution of the Federation Council, while the State Duma may vest the premier with extra powers (the amendments call for just that) or refuse to do so depending on exactly who holds this post. Or to be more precise, depending on what damage this person might do to President Yeltsin and market reform. If not at all, the question will no longer make any sense for the Communists, who have a majority at the State Duma. It will be easier to ask them for the moon from the sky.

As we see, Yeltsin cannot fully comply with Yavlinskiy's conditions not even for ideological or pragmatic reasons, but for purely technical ones. It seems that the post of first deputy prime minister in charge of reform, which was offered to Grigoriy Alekseyevich, is not the lowest stake for further haggling, but the maximum the president can offer — and Yavlinskiy, get.

But nonetheless, this gives Yavlinskiy a unique opportunity of winning something more that simply the post of prime minister. Strange as it might be, he can seize this opportunity by accepting the president's proposal without any preconditions. Over the past several years that he has been in big-time politics, Mr. Yavlinskiy has been best known for his noninvolvement in actions of the "criminal regime." Of course, criticism by an outsider may help him project the image of a smart man, but never earn popular love. Yet, if the Yavlinskiy headquarters really thinks that all anti-"Yabloko" materials find their way into the press directly from the Kremlin, any further talk will make no sense at all. But in reality this is not so. Let us imagine Yavlinskiy in the place of First Deputy Prime Minister Yegor Gaydar in 1992. Wouldn't the same press, which is currently so enthusiastically bashing Grigoriy Alekseyevich, have defended him from that same Yeltsin and Co.? And although Yavlinskiy's deputy prime ministership would not have lasted for more than a year, he would have had time to do something useful. And this, believe me, is much better than the smartest criticism by an outsider.

Russia: Yeltsin Said Campaigning 'Perfectly Properly'

MM2205153896 Moscow ROSSIYSKIYE VESTI ("Political Wednesday" section) in Russian 22 May 96 p iii

[INTERFAX report: "Ballot Papers Already Being Printed"]

[FBIS Translated Text] Russian President Boris Yeltsin is conducting the election campaign perfectly properly, without a single tactless attack on his rivals and fellow-contenders for the presidency, Russian Federation Central Electoral Commission [TsIK] Chairman Nikolay Ryabov has noted.

The TsIK leader flatly rejected the conclusion which might arise, according to him, in the "ordinary person's mind" that the president's campaign advertising dominates television. According to Ryabov, Yeltsin's air time as presidential contender "does not exceed" the television and radio time of CPRF leader Gennadiy Zyuganov once you take account of the coverage of the Communist leader's election campaign in the regional mass media.

The TsIK leader reminded listeners that all the contenders "cannot be treated the same," because they include the incumbent president, and "state power in the country exists and has not been abolished by the election, so the president has powers which he must exercise."

However, Ryabov did admit that, "regardless of Boris Yeltsin's personality," the Law on the Election of the President had been drafted in a "schematic and unclear fashion" and that the border separating the activity of the president in the exercise of his powers from his election campaigning as contender had been eroded.

The TsIK chief forecast that 80 percent of Russians would take part in the 16 June election, but that "an 85-percent turnout will be occasion for rejoicing."

Ryabov reminded listeners that the TsIK had approved the format and wording of the ballot papers. They would be printed and sent out to the regions within a week, as there could be early voting in some of them, the TsIK chief remarked.

In response to a question about international observers at the Russian presidential election he said that "they are currently being registered." He estimates that the total number of international observers involved in the election will be "around 1,000." The observers were showing interest in the regions of the Far East, Siberia, the North, and the North Caucasus. "The participation of observers can only be beneficial," Ryabov stressed.

In response to an INTERFAX question about the nature of campaigning in the second round, if it happens, Ryabov stated that "the TsIK is geared up for that eventuality." The conditions and methods of campaigning would not change, except that both candidates would obtain the right to divide up air time between themselves on their own. In Ryabov's opinion, television debates must be held without fail ahead of the second round.

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The Russian Federation TsIK had noted a number of cases of "violation of civilized norms and rules" by certain presidential contenders' teams during the election campaign in the mass media. This was stated by TsIK Chairman Nikolay Ryabov at a news conference held at the INTERFAX central office on Saturday.

According to him, this number of violations was not observed in the runup to the 1995 elections.

Ryabov notably mentioned attempts to foment national and social hostility, anger, and hatred and to split society into opposing groups.

The chairman cited as specific examples articles from BOLSHEVISTSKAYA PRAVDA and ZAVTRA which contained, according to him, expressions such as "sworn enemy."

Ryabov considers that such things "directly infringe the Russian Federation Constitution and should not be overlooked by the law-enforcement agencies; this falls within their remit." He also reported that the TsIK had sent the relevant documents to the General Prosecutor's Office and the Russian Federation Internal Affairs Ministry and told the leaders of those agencies to step up their supervision and monitoring to ensure that legislation is complied with during the election campaign. Ryabov said that "such 'campaigning' must not be allowed to result in near confrontation on the very eve of the election."

The TsIK chairman also noted instances of certain activists' using their official position for campaigning purposes. Moreover, he stressed, this applies to both executive and legislative authorities.

Russia: Tuleyev Challenges Yeltsin to TV Debate

MM2305084296 Moscow SOVETSKAYA ROSSIYA in Russian 23 May 96 p 1

[Unattributed report: "Aman Tuleyev: I Challenge the President to a Television Duel"]

[FBIS Translated Text] No, our president is not a hussar. Nor is he a knight if he refuses a duel. Well, he has shrunk from Zyuganov who is nevertheless his main rival. Now he is being sent a second challenge by another candidate — Aman Tuleyev.

The Central Electoral Commission has received a statement from Tuleyev's fully empowered agent, Aleksey Veretennikov, in which, on instructions from the presidential candidate, he invites Boris Nikolayevich to take part in television debates. Aman Gumirovich states that he is prepared to take part in debates if Yeltsin takes part together with other candidates.

Here it is useful to recall 1991, when Tuleyev took part in the presidential elections alongside Yeltsin. At the time, during the final television debates he predicted what awaited the country and people in the event of Yeltsin's victory. The forecast, to our great regret, has been over 100 percent correct. At the time, five years ago, Yeltsin's seat in the television studio was as empty as it is now. Obviously he has a chronic dislike of direct talk and direct replies to direct questions. And that is a pity. Today Aman Tuleyev would have something to say and something to ask the president whom the Kuzbass miners brought to power on their shoulders five years ago. It is on their behalf that Tuleyev wants to talk with Yeltsin.

He is waiting for a response to his challenge. Well, Boris Nikolayevich, what are you? You must decide if you consider yourself a politician, a head of state, or a man at all.

Russia: ITAR-TASS Responds to Zyuganov Comments in U.S. Interview

LD2105171796 Moscow ITAR-TASS in English 1502 GMT 21 May 96

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, May 21 (Itar-Tass) — An American ignorant of many specific features of life in Russia may be led to believe that communist leader Gennadiy Zyuganov was sincere in saying in an interview with THE WASHINGTON TIMES that the communists reject the use of force as a political tool and that over the past few years they made considerable contributions "the struggle for a new Russia by rejecting dictatorship, use of force and despotic rule."

But we in Russia know something that a grass-root American is unlikely to know. In particular, we know that Zyuganov's comrades-in-arms in the election race include, among others, Dmitriy Yazov, the man who ordered tanks to roll into Moscow in August 1991. The move resulted in the death of three defenders of the new Russia Zyuganov professes to help build but the communist leader had no bad words for Yazov when he joined the Zyuganov-led coalition of national-patriotic forces on Monday.

Zyuganov's entourage also features General Albert Makashov who in the autumn of 1993 personally formed armed brigades that flexed muscles in Moscow streets, as well as looting every snack bar and ravaging numerous offices in the Moscow city government building in Novy Arbat.

Makashov along with former Vice-president Aleksandr Rutskoy subsequently escaped criminal prosecution

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only because the State Duma initiated an amnesty for them and other active participants in the 1993 confrontation between President Yeltsin and the parliament.

Another odious member of the national-patriotic coalition is the leader of the Working Russia movement, Viktor Anpilov, who had twice led extremists to attack the Ostankino television centre and is now vociferous in calling to fight "to the last drop of blood" in order to topple the country's government.

Asked whether he shared Anpilov's unconstitutional calls, Zyuganov's second-in-command Valentin Kuptsov replied that he regarded Anpilov as "an ideological ally."

While denouncing "dictatorship" and "despotic rule" in public, Zyuganov embraces Aleksandr Rutskoy as his supporter. The former Russian Vice-President, who now heads the movement Power, back in October 1993 distributed firearms to members of parliament, called on "men of conscription age to go and storm the Mayor's office, the Ostankino television centre and the Kremlin," signed a decree ordering the arrest of the members of the government and the presidential staff, and went on air urging the army to bomb administrative buildings in Moscow.

When asked by Itar-Tass privately whether he would be able to "restrain his extremist-minded supporters and prevent them from using forcible methods of struggle," Zyuganov replied with advice "to keep extremists in the Kremlin under control and prevent them from undertaking unconstitutional actions" and saying nothing about the extremists in his own camp.

A question suggests itself: if the communist leader insists that under no circumstances will he become a dictator, a tyrant or a hostage to his 'entourage,' as he said emphatically in the interview with THE WASHINGTON TIMES, why does he not turn down election services and support proffered by Anpilov, Rutskoy, Yazov and Makashov?

It is unwise to overlook the danger of building a coalition of this kind with the people who made their aggressive nature unmistakably clear on two previous occasions of tragic character for the country.

Russia: Zyuganov's Election Campaign Seen Failing

MK2305074296 Moscow SEGODNYA in Russian 22 May 96 p 2

[Report by Gleb Cherkasov: "The Communists Feel Worried About the Course of Gennadiy Zyuganov's Election Campaign. By Their Estimates, the Opposition Leader Will Lose in Large Cities"]

[FBIS Translated Text] Over the past two days, none of the leaders of the CPRF [Communist Party of the Russian Federation] has disavowed fragments of the shorthand record of a recent closed plenum of the CPRF Central Committee, reported by NTV and ITAR-TASS. All protests were against the rumor about a split in the Communist Party, but the fact that the CPRF leadership discussed the lack of progress in Gennadiy Zyuganov's election campaign was not denied.

Judging by available information, the Communists feel worried about the situation in large cities, a possibility of a mass falsification of vote counts, the stances of administration heads adhering to non-Communists views, and the fact that the burden lying on Gennadiy Zyuganov's shoulders is too heavy.

At the outset of the presidential campaign, supporters of the CPRF leader tried to do their best to picture Gennadiy Zyuganov as a candidate from the people's patriotic forces, rather than from the Communists. It was expected that the main struggle would be waged for the voter who was no longer willing to vote for Boris Yeltsin and the democrats but was not yet ready to support the Communists. This is why Mr. Zyuganov was nominated by a certain initiative group, rather than by his own party. To retain and expand the electorate, the mechanism of the "Agreement on the support of a single candidate from the people's patriotic forces" — which would unite both those who could encroach upon Zyuganov's former voters and those who could bring in new ones — was devised. The first task was fulfilled brilliantly: Viktor Anpilov, Petr Romanov, and Aleksandr Rutskoy gave up their own aspirations and joined the agreement. As for the second task, it was flopped just as brilliantly: An overwhelming majority of coalition participants would have supported Gennadiy Zyuganov even without any agreement, whereas a non-Communist opposition turned out to be virtually not represented in it.

The potential of the organizations that have become members of the people's patriotic bloc is a topic deserving a special attention. There have proved to be few real parties and movements able to take an active part in Gennadiy Zyuganov's campaign; as for those who are capable of producing canvassing materials or carry out a campaign of their own, you can count these on your fingers. Viktor Anpilov's Working Russia can probably be regarded as the most active movement. The canvassing efforts of its members, however, will hardly procure additional votes for Gennadiy Zyuganov in large cities, whereas the presence of Comrade Anpilov in the peo-

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ple's patriotic coalition is considerably facilitating the work of electioneers from the Yeltsin headquarters.

The Communists' fear that the election results can be faked are quite understandable. Mr. Zyuganov's supporters will undoubtedly try to control all of the electoral districts. In fact, the Communists have already organized alternative counting of votes in the past parliamentary election and did not disclose any serious violations that time. It is not quite clear, then, why Valentin Kuptsov keeps saying now that, as a result of vote count manipulations, three blocs (the Congress of Russian Communities, Working Russia, and Svyatoslav Fedorov's Party of Workers Self-Government) were left outside the Duma. If the Communists knew about this as long ago as in December, it is not clear why they did not inform the voters then, and if their alternative counting finished only half a year after the election, it is not clear what the use of it is.

The concern of the participants in the CPRF Central Committee plenum regarding the course of Gennadiy Zyuganov's campaign could well have been viewed merely as a peculiar feature of the human nature, always in quest of something better than what it already has, had the above problems not been so serious and had this not made Mr. Zyuganov's electoral ship sink.

Russia: Communist, Government Economic Programs Said Alike

LD2205173196 Moscow Interfax in English 1417 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — The economic program of the Russian Communist Party and the one the Russian government is implementing now are practically identical, the director of the Economic Analysis Institute, Andrey Illarionov has said.

He spoke in the wake of Tuesday's news conference by Tatyana Koryagina, one of the authors of the economic part of Communist presidential candidate Gennadiy Zyuganov's platform.

Illarionov said that the Communists declared they wanted an economy of mixed type, incentives for domestic producers and government control of prices in the basic branches of the economy.

Illarionov believes that the Communist Party has decided to "venture into the opponent's territory and to show that its rise to power won't bring about any of the horrors much in the news these days."

"Apparently, Zyuganov is aware that it is unrealistic for him to win the presidency," Illarionov said. However, he can count on the premiership, the more so, since he has the support of the current State Duma, he said.

Illarionov is certain that Russian society will be faced with surprises in the near future.

Russia: Zyuganov Polls Ahead of Yeltsin 'in at Least 15 Regions'

LD2305112196 Moscow ITAR-TASS in English 0927 GMT 23 May 96

[FBIS Transcribed Text] MOSCOW, May 23 (Interfax) — Communist leader and presidential candidate Gennadiy Zyuganov has a higher rating than incumbent Boris Yeltsin in at least 15 Russian regions, Yeltsin's Deputy Chief of Staff Vyacheslav Volkov told the president's regional campaign chiefs Thursday. There are a total of 66 regions and autonomous districts in Russia, plus 21 autonomous republics.

Zyuganov leads polls in Bryansk, Khabarovsk (where Yeltsin is third behind reformist candidate Grigoriy Yavlinskiy), Chukotka, and a number of other regions whose representatives stressed that the center's unpaid debts to its subjects could kill the president's re-election bid.

The Kurgan region, for example, has yet to receive budget transfers from March, and children's benefits from last December, the region's representative said. Government workers have not received their February salaries in Magadan, while communal service payments are caught up only to December.

This information will be relayed to the president, Volkov said. The next meeting of regional campaign leaders, scheduled for June 6, will be led by Chief of Staff Nikolay Yegorov, and will include federal ministers, he said.

Russia: Communists Say Electoral Commission 'Will Rig' Results

LD2205141796 Moscow ITAR-TASS in English 1330 GMT 22 May 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, May 22 (Itar-Tass) — Russia's communists said the Central Electoral Commission will rig the results of elections and Russian President Boris Yeltsin will be "appointed for another term" even before the final count of votes takes place.

Speaking at a press conference on Wednesday, Viktor Ilyukhin, the chairman of the Duma Security Committee, said that "there will be no fair, free and democratic

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elections.... and Boris Yeltsin will be appointed president for another term although the winner will be (Communist Party leader) Gennadiy Zyuganov."

"Boris Yeltsin will be proclaimed president by the Central Electoral Commission even before the end of vote counting," Ilyukhin said, adding that he does "not believe" the commission's chairman Nikolay Ryabov and considers him as "Yeltsin's man."

Valentin Kuptsov, No. 2 leader in the Communist Party after Zyuganov — both of them also took part in the press conference — said that "authorities are directly interfering in the election campaign by putting pressure on various structures and media to advertise only for one candidate."

Zyuganov said his economic programme, the corrected version of which was considered today, will be published after it has been agreed with all members of the bloc of popular patriotic forces, perhaps at the end of the week.

Russia: Electoral Commission Shows Candidates' Receipts, Expenses

MK2205135796 Moscow SEGODNYA in Russian 22 May 96 p 2

[Report by Aleksey Kirpichnikov: "Gennadiy Zyuganov Is in the Lead by His Expenditures on the Election"]

[FBIS Translated Text] The Central Electoral Commission [TsIK] has made public new data on receipts on and expenditures from the electoral funds of prersidential candidates.

For convenience, the TsIK figures have been rounded off to millions.

Among other candidates, Martin Shakkum is distinguished by the amount of incoming funds: He has taken fifth place, after four "heavyweight" candidates, having received 185 million rubles [R] "from electoral associations" (and, naturally, R150 million from the TsIK). All of the rest, like Svyatoslav Fedorov, received additionally R10,000 "from natural persons" or even less.

As regards expenditures, in addition of favorites, again Mr. Shakkum has become conspicuous (R7 million on mass media, R262 million on printed materials, and R10 million on miscellaneous expenses); in the lead are also Messrs. Zhirinovskiy and Yavlinskiy, as well as Mikhail Gorbachev, with miscellaneous expenses amounting to R25 million. Other contenders did not spend any money as of 15 May.

The financial statistics one months before the election, however, is giving rise to some questions: Is it merely due to the archness of figures or the unpunctual reporting that only Vladimir Zhirinovskiy and his supporters appear to have made personal contributions to the fight for the presidency, whereas numerous organizations supporting Gennadiy Zyuganov have not allotted a penny? Or — are not the sponsors of the active head of state too stingy, fully ignoring visual and audio and video canvassing, especially in comparison with R1 trillion that has already been spent by the Communists? If so, what funds, then, are being used to film [television] commercials helping to bring the victory closer?

Obviously, we will receive answers to these question after the fight is over; it is equally obvious, however, that the answers will be only partial.

	Yeltsin	Zhirinovskiy	Zyuganov	Lebed	Fedorov	Yavlinskiy
TsIK	R150 million were transferred to each candidate					
From legal persons	6,191	150	2,110	-	-	3,470
From natural persons	566	28	740	5.5	0.01	0.01
Own funds	-	57	-	-	-	-
Funds of electoral associations	280	2,888	-	-	-	-
Total receipts	7,187	3,273	3,000	156	150	3,620

	Yeltsin	Zhirinovskiy	Zyuganov	Lebed	Fedorov	Yavlinskiy
Total expenditures	300	91	1,651	32	52	10
Mass media canvassing	300	17	375	28	-	10
Printed, audio, video materials	-	50	1,236	4	52	-
Miscellaneous	-	24	40	-	-	-

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Baltics: Baltic Assembly Proposes Conforming Laws to EU Standards

LD2205212596 Moscow INTERFAX in English 1525 GMT 22 May 96

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] RIGA, May 22 (INTERFAX) — The Presidium of the Baltic Assembly, meeting in Riga on Tuesday, recommended that the parliaments of Latvia, Lithuania and Estonia step up efforts to bring the three Baltic countries' laws into line with European Union standards and prepare a single case for the three states' bid to join NATO, Presidium Chairman Ivars Kezbers said.

"The first recommendation is directly linked to the strategic goal of the foreign policy of the three countries — joining the European Union," Kezbers told a news conference after the meeting.

Speaking about the Baltic countries' plans to join NATO, he said: "At present each of the three Baltic states is using its own arguments in favor of joining the North Atlantic alliance."

CIS: ITAR-TASS Carries Press Review for 23 May

LD2305063496 Moscow ITAR-TASS in English 0511 GMT 23 May 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW May 23 (ITAR-TASS) — Follows a review of Thursday's Moscow-based Russian newspapers dated May 23.

ROSSIYSKIYE VESTI runs an article by Academician Aleksandr Yakovlev under the headline "A new occupation of Russia by the Bolsheviks would be ruinous."

Yakovlev explains the reasons why he decided to vote for Boris Yeltsin during the forthcoming presidential elections, due to be held in June:

"I fear for Russia. I fear that the farmers would remain living in the houses that were built in the 19th century, that oil-industry workers and miners will dwell in makeshift housing or barracks dating back to the 1930s. I fear queues for food. I fear that we would again be made to vote unanimously and applaud all together, i.e. follow the herd. I fear that we would again quarrel with the rest of the world and would live on a nuclear volcano. In other words, I fear that a new occupation of Russia by the Bolsheviks may come about, which would be ruinous."

SOVETSKAYA ROSSIA carries a big article headlined "Russia is at a turning-point" by Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation.

The article points out, in particular, that "'reforming, Yeltsin style' has halved industrial production in the country and reduced output in research-intensive sectors by a factor of 5 to 6 and even more while investments in production dwindled by more than 75 percent and do not ensure even a mere reproduction of the fixed assets."

The article quotes Janos Karnai, Professor of Economics at Harvard University, as asserting that "Another three to five years of the pursuance of such a policy, and Russia would lose for decades, if not generations to come what so far keeps her among the leading powers of the world: scientific, technical, educational and cultural potential."

"It becomes clear from the above-mentioned why most patriots of Russia, irrespective of their political preferences, do not accept the Yeltsin team's policy which leads the country to the precipice, to the disaster of a new civil war, the signs of which are visilbe already now," Zyuganov emphasises.

PRAVDA on the situation in Russia in the run-up to the presidential elections.

The newspaper carries an interview taken by its correspondent in Paris Vladimir Bolshakov from former dissidents Maria Rozanova and Andrey Sinyavsky under the headline "Intelligentsia has failed to pass the democracy exam."

The gist of the interview is in the words said by Rozanova: "This time the Russian people will not follow (Grigoriy) Yavlinskiy or (Mikhail) Gorbachev whom we love, but will follow Zyuganov. Because what the so-called democrats offered to the people over the past five years has turned out to be much worse than what had been given at one time by the Communists."

KOMSOMOLSKAYA PRAVDA on the circumstances of the arrest of Boris Fyodorov, President of the National Sports Foundation.

The article supposes that the arrest of the all-powerful sports businessman is associated with the increase in the role of former First Vice-Premier Anatoliy Chubays, who is "the chief financial coordinator of the President's election campaign." "The times and favourites change quickly," the newspaper emphasises.

IZVESTIYA on the growth of separatist sentiments in French Savoy region.

Yuri Kovalenko's dispatch headlined "A 'Savoy Republic' is in the offing in the Alps" about mounting

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separatist sentiments among the residents of the historical region of Savoy and the activities of the Savoy League party, which presses for the region's secession from France and the establishment of an independent state.

The article points out that the Savoy separatists have already establisheed contacts with the Northern League, Italy's largest separatist party, which seeks secession of the rich northern regions from Italy and the creation of an independent state.

ROSSIYSKAYA GAZETA on the Council of Europe's denying its membership to Croatia.

Zagreb has been unsuccessfully seeking to gain CE membership for three years now, despite a respective recommendation of the Parliamentary Assembly of the CE.

Croatia's admission to this prestigious European organisation has been temporarily blocked in view of the fact that Zagreb's policy — specifilcally that concerning the freedom of speech and freedom of the press as well as the attitude to the Serb refugees, who are prevented from returning to their native places — does not suit the 15 European Union member-countries

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Russia: Russia Seeks Amendments to CFE Treaty at Vienna Conference

LD2205131496 Moscow ITAR-TASS in English 1248 GMT 22 May 96

[By Aleksandr Kuzmin]

[FBIS Transcribed Text] VIENNA, May 22 (Itar-Tass) — Russia declares for adapting the Conventional Forces in Europe (CFE) Treaty to new military and political realities.

The Russian delegation declares for this at a conference in the Austrian capital discussing the operation of the CFE Treaty. The treaty signed in Paris in November 1990 envisages the reduction of armaments in Europe, as well as stringent measures for verification and control in the most militarised region of the globe. However, at present the treaty needs certain adjustment and renewal.

An acute debate about Russia's proposal to revise some provisions of the treaty opened at the forum, Itar-Tass learned from diplomatic sources. Russia's proposal is, above all, motivated by the changed military-political situation. Among these matters is that of so-called "flank restrictions" which assumed a character discriminating to Russia in new conditions.

The conference shows that this problem will not be easy to resolve although some progress is apparent, and certain results were achieved since the time the "flank problem" was posed in 1993. Not all the obstacles to its settlement have yet been cleared. The basis for achieving a political solution which would take into account lawful interests of Russia's security and would be acceptable to all states, signatories of the treaty, has been prepared.

The Russian delegation hopes that the idea of consolidating peace and international security will prevail at the Vienna conference and that the renewed CFE treaty will play a large role in this.

Russia: Chernomyrdin, U.S. Official Discuss IMF, Reforms

LD2205141896 Moscow INTERFAX in English 1325 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian Prime Minister Viktor Chernomyrdin and U.S. Undersecretary of the Treasury Larry Summers discussed Russia's relations with the International Monetary Fund (IMF) and the progress of market reforms in Moscow Wednesday, Russian government sources told Interfax.

At their meeting, which lasted for an hour and a half, the two officials considered Russia's compliance with its financial obligations under the IMF Extended Fund Facility loan of $10 billion, they said.

Chernomyrdin and Summers also discussed Russia's internal economic situation and social policy, the sources said. They also considered possible ways of developing IMF-Russian cooperation, they said.

Russia: Moscow Denies Selling Missile Technologies to China

LD2205143496 Moscow INTERFAX in English 1348 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian Deputy Foreign Minister Aleksandr Panov reacted with amazement Wednesday to the recent statement by U.S. Secretary of Defense William Perry who called on Russia and Ukraine not to sell their missile technologies to China.

"As far as I know, Russia is not selling anything of the kind to China," he told Interfax Wednesday.

Speculating on this subject, U.S. officials admitted that they do not have evidence of this deal, he said.

Perry had told journalists in Washington Tuesday of China's willingness to obtain the Russian technology for manufacturing SS-18 missiles.

It would be a great mistake, he said. The United States has notified the governments of Russia and Ukraine of its position, he said.

Russia: Reports of Russian Mafia Increasing Presence in UK, Europe

LD2205153496 Moscow ITAR-TASS in English 1251 GMT 22 May 96

[By Viktor Solomin]

[FBIS Transcribed Text] LONDON, May 22 (Itar-Tass) — Since the breakup of the USSR, the presence of crime groups from Russia and other ex-USSR republics, as well as criminal organisations from east European countries, has been considerably expanded in Great Britain.

Gangsters from these countries engage in traffic in narcotics, swindling and extortion. But their chief occupation is laundering "dirty money" through financial and banking structures of the City of London and through front companies.

Concern in this connection was voiced in London at the third international symposium on organised crime groups from Russia and CIS countries. The symposium is held by Britain's National Criminal Investigation Agency.

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Addressing a news conference in London, Albert Pacey, the agency's director-general, said that the problem of the Russian Mafia on the British Isles is not as acute as in the United States which has a much larger community of immigrants from the former USSR.

Pacey said the agency has information about contacts established by criminals from former ex-USSR republics and from east European countries with British criminals. Pacey expressed the conviction that the strengthening of contacts with the Russian Interior Ministry will undoubtedly help prevent the growth of the influence of the Russian Mafia in Britain and in other western countries. Giovanni Verdicchio, Major-General of Italy's financial guards, told the news conference that structures of the Italian Mafia took the advantage of the current situation in Russia to enter it.

There is information that "dirty money" is moving from Italy to Russia and is used, specifically, to purchase shares of enterprises that are becoming private property. He said the Italian Mafia has always been seeking to establish ties with international crime groups in other countries. At present is reached the borders of Russia, specifically of Chechnya, of a number of former Soviet Republics, east European states and China.

Meanwhile, Russian crime groups are becoming firmer established in Italy. According to the information of Italian secret services, they specialise in laundering "dirty money" and invest it in the Italian economy.

Russia: Specialists 'Skeptical' on Joint Russian-Iraqi Company

MM2205121196 Moscow IZVESTIYA in Russian 22 May 96 p 3

[Reports by Elmar Guseynov and Gennadiy Charodeyev under general headline: "As Soon as All Is Quiet in Baghdad, Russian Businessmen Will Return There"]

[FBIS Translated Text] The Iraqi Government has signed an agreement under which this country is permitted to sell oil worth $1 billion every three months. Most of these funds will be used to buy food and medical supplies under UN control.

In point of fact we are talking here about a partial lifting of the economic embargo against Iraq. Admittedly, the Iraqis will not see one-third of the money from oil sales. These sums will be used to compensate the victims of the Iraqi invasion of Kuwait. Incidentally, the losses incurred by Russian citizens and organizations amount to $2 billion out of the more than $120 billion in claims accepted by the United Nations.

But even the money left will be more than enough for the Iraqis to meet their needs for food and medical supplies. For Iraq spent $2.3 billion on these needs in the last year before the start of the war in the Persian Gulf. But now, in accordance with the UN decision, it will have $2.7 billion at its disposal annually.

In point of fact, a big new market for food and medical supplies is emerging in the world. But this is only the beginning. We have learned from informed sources at the Russian Ministry of Foreign Economic Relations that active consultations are now being conducted under UN auspices to draw up a mechanism to monitor sales of dual-purpose equipment to Iraq. Our experts are also involved in these talks. As soon as such a mechanism has been launched, the opportunity will be opened up to supply Iraq not only with foodstuffs and medicines but also with industrial equipment, although formally the sanctions regime will be maintained.

Russian entrepreneurs have endeavored to prepare for such a turn of events. There is information relating to plans to set up a special Russian-Iraqi company which, on our side, is to include "Lukoil," "Inkombank," and a number of other large structures. They hope to participate in opening up oil fields in Iraq and to secure orders for industrial construction work. This company's capital fund on the Russian side is to be provided out of Iraq's debts to Russia, which totaled $7 billion even two years ago.

Although the Russian Ministry of Foreign Economic Relations is the source of information about the setting up of such a company, authoritative specialists in the same ministry are skeptical about the idea itself. The ministry is sure that the lifting of the sanctions regime against Iraq can hardly be expected in the very near future. Without this, full-scale investment in that country is impossible. This means that scope for the new Russian-Iraqi company's activity will not emerge in the foreseeable future. [Guseynov ends]

The endless requests by Hasan Fahmi Jum'ah, Iraq's ambassador to Moscow, to high-level Russian bodies for urgent humanitarian aid for sick children will, in all probability, be crowned with success. IZVESTIYA correspondent Gennadiy Charodeyev was told at the Russian Ministry of Foreign Affairs and the Ministry for Emergency Situations that, by government decision, a special aircraft loaded with medical supplies and baby food will be sent to Iraq in the very near future.

According to WHO data, in the five years that sanctions have been in force against Iraq the health of that country has been set back 50 years. Mortality among newborn babies has increased steeply in Iraq today, and mortality among infants up to the age of five has increased sixfold.

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The total value of the "package from Russia" is over $100,000. Funding is being sought from commercial structures.

Russia: Turkey Questions 'Official Support' for PKK

TA2205154496 Ankara ANATOLIA in Turkish 1415 GMT 22 May 96

[Report by Remzi Oner Ozkan in Moscow]

[FBIS Translated Text] Moscow (AA) — The Turkish Embassy in Moscow made representations at the Russian Foreign Ministry this morning following a meeting held at the State Duma two days ago. The meeting was held to express support for the separatist terrorist organization [PKK — Workers Party of Kurdistan], and was also attended by Russian Government officials who delivered speeches in favor of the separatist organization.

Turkey pointed to the increasing activities in Russia of the separatist organization and Russian Government officials' "supportive" attitudes, and asked: "Where are you going?"

The Russian Foreign Ministry replied: "There has been no change in our policy."

ANATOLIA has learned that during the representation, Turkey stressed that the meeting, which was held at the Duma's Geopolitical Affairs Committee, was organized by the separatist terrorist organization itself, and that the Duma was used as a tool in this ploy. Turkey said that the most important point was that "Russian Government officials attended this meeting and extended their support."

Up to now, whenever Turkey made representations in connection with the separatist terrorist organization, the Russian Foreign Ministry has said: "The organization's meetings are organized outside us; we cannot interfere in the Duma." Today too, Foreign Ministry officials said: "We did not know of the meeting. It was organized by the Duma once again. We reaffirm our official stand, that Russia does not recognize the PKK and opposes all kinds of terrorism. There have been no changes in our policy toward Turkey or in our stand against the PKK."

Russian Government officials who attended the meeting at the Duma's Geopolitical Affairs Committee gave "official support" to the PKK for the first time. Aleksandr Nevzorov, a department head of the ministerial-level Internal Intelligence Service, maintained that the separatist organization is not a terrorist organization, and said that Russia "must gain in connection with the Kurdish issue" vis-a-vis Turkey.

In a speech at the meeting, Mahir Velat, who is said to be the separatist terrorist organization's "highest-ranking official in eastern European countries," did not hide the fact that Russia supports them. He said: "Russia realizes our importance. We urgently need more help."

Another official admitted that Russia extends economic support to the separatists. Vladimir Pavlovich, a representative from the Russian Foreign Economic Relations Ministry, said at the meeting that the separatists who settled in Russia carry out economic activities and have started to conduct imports and exports. He said: "We give them certain means and we will continue to do so."

At the meeting, which was held from 4 to 8 May, a message from the leader of the bloody terrorist organization was read. In his message, the separatist leader said: "Russia supports us." He also claimed that the PKK is an organization that receives the highest interest and help from Russia.

Russia: Primakov: Mexico Visit Not Directed Against U.S.

MM2205161896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 May 96 p 5

[Report by correspondent Yevgeniy Umerenkov: "Russia Shows the Flag in Latin America"]

[FBIS Translated Text] Mexico City — The last visit to Mexico by a head of Moscow's foreign policy department was nearly 10 years ago. Many Mexicans remember an article by Kozyrev a long time ago in which he claimed that the countries of the American continent are in the U.S. sphere of influence, so Russia has no business there....

"After the end of the 'Cold War' nobody can lay claim to 'zones of influence,'" Yevgeniy Primakov stated during his visit to Mexico, which has just ended. "Russia does not intend to leave the international arena, and the Latin American countries are a very important partner for us."

The principled nature of this approach is underlined by the fact that Primakov's first trip to the Western hemisphere as foreign minister was not to the United States. People in Mexico City obviously noticed that fact, and our minister's Mexican colleague Jose Angel Guerria assessed the signing of six bilateral cooperation agreements as the start of a new stage in Russian-Mexican relations.

"During talks with the Mexican president and foreign minister I saw that the interest in our country is enormous," Yevgeniy Primakov said in an interview

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for KOMSOMOLSKAYA PRAVDA. "And you can sense that it is not only a question of bilateral relations, which the Mexican side, like us, wants to develop, but also that people here understand Russia's new role in the international arena. Furthermore Mexico bears in mind the need to diversity its own ties and move toward other centers, not only the United States. In these circumstances a very favorable atmosphere is taking shape for the development of our relations. But I would like to stress that my visit here in no way means that it could be directed against a third country, and in particular against the United States. My visit is purely a Russian-Mexican affair."

Russia: Primakov Holds Talks With Cuba's Fidel Castro

LD2305065396 Moscow ITAR-TASS in English 0535 GMT 23 May 96

[By Viktor Khrekov, Konstantin Zhukovsky]

[FBIS Transcribed Text] HAVANA, May 23 (Itar-Tass) — Visiting Russian Foreign Minister Yevgeniy Primakov met Cuban leader Fidel Castro on Wednesday. The meeting took place in the building of the Russian Embassy in Cuba and was attended by Minister of the Revolutionary Armed Forces of Cuba Raul Castro, deputy chairman of the State Council Carlos Lahe, Foreign Minister Roberto Robaina, Foreign Trade Minister Ricardo Cabrisas and other Cuban officials.

Yevgeniy Primakov arrived in Cuba on May 21. On Wednesday, Primakov held talks with his Cuban counterpart Roberto Robaina. As a result of the talks the sides signed a declaration on the principles of relations between Russia and Cuba and a programme on cooperation in culture and science for 1996-1998. On the same day, the Russian minister held talks with Ricardo Cabrisas and Carlos Lahe and gave a news conference.

On Thursday, the Russian foreign minister begins an official visit to Venezuela.

Russia: Primakov Promises Cuba Help With U.S. Relations

LD2305074596 Moscow Interfax in English 0702 GMT 23 May 96

[FBIS Transcribed Text] HAVANA, May 23 (Interfax) — Russia will do its utmost for the normalization of Cuban-U.S. relations although, for the time being, there is no talk of mediation efforts, Russian Foreign Minister Yevgeniy Primakov told journalists in Havana Wednesday.

"We realze how difficult it is going to be but relations between Havana and Washington must be brought to normal," Primakov said.

Moscow and Washington have carried out neither open nor confidential talks on Primakov's visit to Cuba. "Russia is a sovereign nation which is capable of mapping out its foreign policies on its own," Primakov said.

Primakov lashed out against new U.S. legislation on economic sanctions against Cuba's trade partners.

The level of Russian-Cuban trade and economic relations will depend on the level of overall relations between Moscow and Havana, and Moscow lays emphasis on the promotion of relations with Havana, Primakov stressed.

Primakov and the Cuban leaders signed a declaration on the principles of Russian-Cuban relations and a program for cooperation in the fields of culture and scientific research. Primakov is visiting Havana on instructions from President Yeltsin.

Primakov refused to describe the recent stage in Russian-Cuban relations as critical. "Relations between our countries have never faced crises," Primakov told Interfax, "they have had their ups and downs. And they are about to expand."

The implementation of the Russian-Cuban sugar-oil deal faces certain problems, Primakov said. Under the deal, Russia is to exchange 1.5 million tonnes of oil for 500,000 tonnes of Cuban raw sugar.

The Yeltsin administration would favor the ratification of the second treaty on the reduction of strategic offensive weapons, also known as START-2, Primakov told reporters in Havana, but the treaty will "hardly, if at all," be ratified by the Russian legislature if the United States builds itself a new ABM system. The START-2 agreement has already been ratified by the United States.

Primakov and his British counterpart Malcolm Rifkind are going to meet soon in Berlin. They will discuss bilateral relations in the light of the recent expulsion of four British diplomats from Moscow and the same number of Russian diplomats from London.

Primakov and Rifkind will meet at a session of the North Atlantic Cooperation Council to be held on June 3 to 5, sources close to Primakov said.

The Bosnian contact group, which brings together Russia, the United States, Britain, France and Germany, is due to hold a session in the same city and on the same dates.

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Russia: Primakov Cites Cuba Tension as Last 'Ice' of Cold War

LD2205155396 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 22 May 96

[From the "Novosti" newscast]

[FBIS Translated Text] Foreign Minister Yevgeniy Primakov is holding talks with the Cuban leadership today. There have been quite a few mutual accusations in our trade relations. The ARGUMENTY I FAKTY-NOVOSTI news agency reports that foreign states, mostly developing countries, owe Russia over $147 billion. Cuba is the biggest debtor of them all, with debts exceeding $30 billion.

[Correspondent Vladimir Sukhoy] Russian Foreign Minister Yevgeniy Primakov's visit to Cuba is expected to result in the signing of just one document, a program of cooperation in culture, science, and technology. Even if this is the case, Primakov's arrival in Havana is significant in another way. It is the first time since the collapse of the Soviet Union that a foreign minister of sovereign Russia is visiting a country which for 30 years, until 1991, was Moscow's main political and economic ally in Latin America. During Primakov's two days there, he will be received by nearly every top Cuban leader.

Attention will be focused on implementation of the economic agreement between the two countries signed last October during a visit to the island by Russian First Deputy Prime Minister Oleg Soskovets. The main points of the agreement are continuation of the oil-for-sugar barter deal, allocation of a $30 million Russian credit for completing construction of a nuclear power station 250 km from Havana, and reduction of Cuba's debt to Russia.

Upon his arrival at the Cuban capital's airport, Yevgeniy Primakov said tension centering on Cuba is the last piece of ice that has not melted since the Cold War era. The Cubans liked the simile. [Video shows aircraft in airport, Primakov at an international meeting, rally in Cuba addressed by Castro; aerial view of Havana; Primakov descending from aircraft, shaking hands with unidentified official]

Russia: Primakov, Robaina Sign Declaration on Principles of Ties

LD2305085396 Moscow ITAR-TASS in English 0826 GMT 23 May 96

[By Viktor Khrekov and Konstantin Zhukovskiy]

[FBIS Transcribed Text] HAVANA, May 23 (Itar-Tass) — Russia and Cuba have agreed to cooperate in the effort to combat organised crime, international terrorism, drug trafficking, and smuggling weapons and objects of historical and artistic value, says the Declaration on the Principles of Relations between the Two Countries, which was signed here on Wednesday by Russian Foreign Minister Yevgeniy Primakov and his Cuban counterpart Roberto Robaina.

The sides have also agreed to promote various forms of commercial and economic cooperation, and, in particular, to encourage contacts among the enterprises of the two countries, to conclude compensational deals, to promote industrial cooperation, and also to conduce the organisation of joint ventures on Cuba and in Russia. The document stresses that the sides "will implement their commitments to honour and protect human rights and basic liberties in keeping with the U.N. Charter and other norms of international law".

The Declaration notes that the "radical changes in the international political situation and in the world community have opened up new vistas for effective and mutually profitable relations" between the two countries. Moreover, the document stresses the desire of both sides to "develop the relations of friendship and cooperation linking the peoples of the two countries". Russia and Cuba proceed from the premise that "no state has the right to apply or encourage the application of economic, political or other measures with a view to subordinating another state to itself", the document says.

Russia: Primakov Downplays Disagreements Over Sugar-for-Oil Deals

LD2305105596 Moscow ITAR-TASS World Service in Russian 1000 GMT 23 May 96

[FBIS Translated Excerpt] Havana, 23 May — Disagreements between Russian and Cuban enterprises on sugar supplies to Russia in return for oil "is not worth raising to the political level," Russian Foreign Minister Yevgeniy Primakov said. "The partners must be given an opportunity to reach agreement," he added at a news conference in Havana. [passage omitted]

"I do not think that the position of one of the Russian firms involved [Alfa-eko] is irreproachable," Primakov said. "However, the Cuban side must amend its position too," he added. The second Russian firm involved in the deal, Menatep-Impeks, has no difficulties at present in honoring its obligations to the Cubans.

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Political Issues

Russia: Deputy Justice Minister Assassinated in Moscow

LD2305084396 Moscow ITAR-TASS in English 0804 GMT 23 May 96

[FBIS Transcribed Text] MOSCOW May 23 (Itar-Tass) — Russian deputy Justice minister Anatoliy Stepanov was assassinated early on Thursday [23 May] by unknown gunmen close to his Moscow house.

A spokesman of the Interior ministry told Tass that Stepanov was shot in the head and his body was found at 08:35 hours Moscow time [04:35 GMT] near his house in the northern Moscow suburb of Mitino.

Security and interior officers, as well as prosecutors are currently working at the site of the murder.

Russia: Friend May Have Killed Deputy Minister After Argument

LD2305105396 Moscow INTERFAX in English 1040 GMT 23 May 96

[FBIS Transcribed Text] MOSCOW, May 23 (Interfax) — Russia's Deputy Minister of Justice Anatoliy Stepanov, killed in his home late Wednesday night by a blow to the head with a blunt, heavy object, came home with acquaintances after work Wednesday, one of whom may have killed him.

An Interior Ministry spokesman told Interfax that clues from Stepanov's apartment suggests there was an argument which then spilled into a fight.

The 55-year-old Stepanov's body was discovered at 8:20 a.m. Thursday.

Interior Ministry Anatoliy Kulikov is heading the investigation.

Russia: Yeltsin Plans To Visit Arkhangelsk 23-24 May

LD2205150996 Moscow ITAR-TASS in English 1443 GMT 22 May 96

[By Vladimir Anufriyev]

[FBIS Transcribed Text] ARKHANGELSK, May 22 (Itar-Tass) — Russian President Boris Yeltsin plans to visit Arkhangelsk in northern Russia on May 23 and 24, head of the city administration press service Viktor Fridman told Itar-Tass on Wednesday.

According to the preliminary programme of the visit, Yeltsin will participate in a session of the Union of Russia's small cities, visit a woodworking factory and attend a youth festival dedicated to the end of the academic year.

Yeltsin is expected to arrive in the city on May 23 in the evening. His visit will start on May 24, Fridman said.

It will be his second trip to Arkhangelsk in his capacity as president. During his first visit in April, 1992, Yeltsin spent very little time in Arkhangelsk. He visited military dockyards in neighbouring Severodvinsk and a launching-range Plesetsk, he said.

Yeltsin's upcoming visit will be entirely dedicated to Arkhangelsk, a city with a 400-year-long history, according to him.

Russia: Yeltsin To Meet With World Bank President

LD2205202496 Moscow INTERFAX in English 1629 GMT 22 May 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] Russian President Boris Yeltsin on Thursday is expected to meet with World Bank President James Wolfensohn who arrived in Moscow on a two-day visit Wednesday.

Wolfensohn told journalists at the airport that he backs the reforms implemented by the Russian Government. As far as he knows, things are going relatively well, he said.

Wolfensohn is expected to meet with Prime Minister Viktor Chernomyrdin on Wednesday evening but before that he will hold talks with Russian First Deputy Prime Minister Vladimir Kadannikov.

The agreement on granting a credit worth $350 million for the reconstruction of bridges and federal highways between the World Bank and Russia is expected to be signed during the visit, Kadannikov told Interfax.

Kadannikov also plans to discuss prospects for an agreement concerning a credit on restructuring the coal industry worth $500 million with Wolfensohn. "There is already a principal agreement on the coal credit, but the World Bank directors board is to adopt the final decision," he said.

The coal credit is to be spent mostly on providing social support to miners becoming redundant as a result of the closure of unprofitable mines and the modernization of coal production.

According to governmental sources, Russia and the World Bank plan to implement eight specific projects costing a total of some $2.1 billion in 1996.

The World Bank to date has loaned Russia some $4.6 billion, of which $1.2 billion have already been used.

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Russia: Yeltsin Says Economy Expected To Grow 'This Year'

LD2205180396 Moscow ITAR-TASS in English 1744 GMT 22 May 96

[FBIS Transcribed Text] ARKHANGELSK, May 22 (Itar-Tass) — Russian President Boris Yeltsin today declared that the country's national economy is expected to begin to grow already this year.

Yeltsin was speaking in an interview with local television in the city of Arkhangelsk, north European Russia. The interview was broadcast on Wednesday ahead of the President's forthcoming visit to Arkhangelsk on May 23 and 24.

He said the country's leadership had "great plans" for the port of Arkhangelsk but investments depended directly on the overall state of the national economy. If it begins to grow this year as expected, the government investments in the port of Arkhangelsk will become more consistent, Yeltsin said.

He recalled that the city had received almost 1.5 billion roubles from the government to maintain its port facilities in 1993 and 1994. The funds were used to build a sea traffic controlling centre and a second rail road in addition to enhancing the port capacity.

He said part of that capacity was idling in the wake of the reduction in the delivery of goods to the Arctic area as a whole, the Arkhangelsk port in particular.

The head of state said he had instructed the government of Russia to repay its debt for 1994, 1995 and 1996 to the defence industry. He said he will sign a decree this month to solve the problem of mutual non-payment in the defence sector, above all where payments for electricity, natural gas and petroleum products are concerned.

The enterprises which supply defence products to meet the needs of the state will be allowed deferment of payment of federal taxes, Yeltsin said.

All these measures will be applicable to the enterprises located in Severodvinsk and will enable them to solve problems relating to the delayed payment of wages, Yeltsin said.

In addition, the Severodvinsk enterprises will receive billions of roubles in direct funding and promissory notes, the President said.

Boris Yeltsin said 41 billion roubles were appropriated and remitted to the Sevmashpredpriyatiye production association, which is also exempt of taxes amounting to 15 billion roubles and will receive 25 billion roubles in promissory notes from the Ministry of Defence.

He added that similar appropriations were made for the state-owned small enterprise Zvyozdochka.

Boris Yeltsin recalled that he had first visited the region in April 1992. "I had heard and read a great deal about the Pomorye territory, but I only really learned to appreciate the beauty and lofty serenity of the area when I found myself there," he said. Yeltsin added that he had a strong feeling for the local inhabitants with their openness and sincerity.

Yeltsin said he admired the courageous Pomorye residents who live, work, build families and raise children in the harsh Arctic conditions where they have to overcome great difficulties. "It is normal life but in uncommon conditions," the President said.

"I would like to see you fellow-countrymen to cherish traditions of your (ancestors), the Pomors — brave and courageous people, who were also very business-like and enterprising, which is particularly valuable today when there is room for initiative and manifestation of gifts," President Yeltsin said.

"I would also like to tell the inhabitants of the north, particularly at this time when I travel much in this country, that Russia is a single country, that Russia's south is part of Russia just as its north is part of Russia and we must by no means feel separated," the President said.

"I want to stress that none of the regions is seen by us as privileged for any special reason. Of course, conditions may be better in some places, but the reasons for that are objective. But we help and will keep enhancing assistance to those who experience great difficulties for objective reasons. The inhabitants of the north are the first among them," Yeltsin said.

Russia: Yeltsin Appoints Shokhin Head of Commission for Legislation

LD2205215296 Moscow ITAR-TASS World Service in Russian 1807 GMT 22 May 96

[FBIS Translated Text] Moscow, 22 May (Itar-Tass) — Russian Federation President Boris Yeltsin has approved the new membership of the joint commission for coordinating legislative activities, which was set up by his order of 26 November 1994. The presidential press service reports that Aleksandr Shokhin, first deputy chairman of the State Duma, has been appointed its head.

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Russia: Yeltsin Dismisses Two Government Officials

LD2205123096 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 22 May 96

[From the "Novosti" newscast]

[FBIS Translated Text] We have just received two presidential edicts. Russian President Boris Yeltsin has issued the first edict, releasing Yevgeniy Belyayev from the duty of the chairman of the State Committee for Public Health and Epidemic Monitoring for failing to fulfill his official duties, violation of legislation of the Russian Federation, and nontargeted use of the budget.

The second edict instructs Russian Prime Minister Viktor Chernomyrdin to release Yuriy Pavlovich Shatyrenko from duties as the chairman of the Social and Insurance Fund of the Russian Federation for gross violation of his official commitments, which led to financial difficulty for the Social Insurance Fund and aggravation of social tensions in society. Both edicts were signed today, 22 May.

Russia: Yeltsin's Administration Head Postpones Visit to Stravopol

LD2205144896 Moscow Mayak Radio Network in Russian 1400 GMT 22 May 96

[FBIS Translated Text] The visit to Stavropol territory by Nikolay Yegorov, head of the Russian president's administration, planned for today, has been postponed. While declining to comment on the reasons behind the alterations to Yegorov's itinerary in Stavropol territory, a well-informed source in the territory's administration told INTERFAX that Yegorov would probably arrive in Stavropol on Friday [24 May]. The following day he will hold a conference with the participation of deputy administration heads of the republics, territories, and regions of the Northern Caucasus. This meeting is expected to be devoted to the problems of preparing the presidential elections.

Military Issues

Russia: Yeltsin Meets With Possible Grachev Replacement

LD2305090796 Moscow ITAR-TASS in English 0900 GMT 23 May 96

[By Andrey Shtorkh and Aleksandr Nechayev]

[FBIS Transcribed Text] MOSCOW May 23 (Itar-Tass) — President Boris Yeltsin met Colonel General Boris Gromov on Thursday [23 May] to discuss military reform and the situation in the country three weeks before June 16 presidential elections, informed Kremlin sources told TASS.

Gromov, who is also a Yeltsin's election campaigner and a State Duma deputy, was rumoured by Russian media to be the most possible candidate to replace unpopular Defence Minister Pavel Grachev.

Yeltsin and Gromov "paid much attention to the issues of reforming the armed forces and ways of implementing the recent decree of the president on the gradual transition in the manning of the armed forces to a contract basis", the sources said.

Yeltsin has decreed to end obligatory conscription in 2000.

The rumours about upcoming Grachev's resignation became especially strong after Yeltsin took Gromov with him to VE-Day celebrations on May 9 to the city of Volgograd, former Stalingrad.

Gromov was Grachev's deputy, but fell out of his favour for criticising the way in which the military campaign in Chechnya was organised.

Gromov, who commanded the Soviet withdrawal from Afghanistan in 1989, was dismissed from the post of deputy Defence minister in March 1995 and appointed as the chief military expert of the Foreign ministry in the rank of a deputy minister.

Russian media believe Yeltsin may dismiss Grachev during or after his expected trip to Chechnya for the 17-month long war there.

Grachev, in his turn, pledged loyalty to the president and called on army officers during a trip to the Ural city of Yekaterinburg on Wednesday, to vote for Yeltsin at the upcoming elections.

Russia: Yeltsin Announces Aid to Defense Enterprises

LD2205214796 Moscow NTV in Russian 1800 GMT 22 May 96

[Report by Mikhail Osokin; from the "Segodnya" newscast]

[FBIS Translated Text] President Boris Yeltsin heads off on a new visit to the regions tomorrow. His first stop will be Arkhangelsk Region. The president has already announced good news today for the inhabitants of Severodvinsk and for workers of the country's defense complex as a whole.

[Begin Yeltsin recording] This month a scheme for resolving mutual nonpayments in the defense complex will be ratified. In the first place this has to do with payment for electricity and gas and oil products. Enterprises that supply manufactured goods for the state's defense needs will be granted a postponement

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on paying federal taxes. All these measures will also affect the enterprises of the city of Severodvinsk. That is especially important. They will also help solve the problem of wage arrears. [end recording]

Russia: Grachev Stresses Role of Air Defense Troops

LD2305084696 Moscow ITAR-TASS in English 0811 GMT 23 May 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] CHITA, May 23 (Itar-Tass) — Russian air-defence troops will remain in the Armed Forces as an independent force and will always be in a condition of combat readiness, said Russian Defence Minister Pavel Grachev today. Grachev visited one of an air-defence regiments protecting Russia's air space.

Grachev declared that missile strategic troops and air defence troops should be always put on alert and provided with no less than 90 per cent of the mandatory number of personnel.

Grachev pointed out that in the next few weeks missile air defence troops shall be provided with the best C-300 air defence systems. "Air defence troops equipped with C-300 missile defence systems located all along the perimeter of the border of the Russian Federation guarantee a rebuff to a considerably large number of potential enemy targets, which might carry nuclear weapons, at the approach to the Russian border, " Grachev said.

The Russian Defence Minister expressed his gratitude to air-defence servicemen for efficient protection of the Russian air space and high skills in handling sophisticated air-defence equipment. Grachev ordered to allocate 3-4 billion roubles for the construction of housing in the air-defence garrison.

Russia: Yeltsin's Edict on Professional Army Provokes 'Hostility'

LD2205195396 Moscow ARGUMENTY I FAKTY in Russian No. 21, May 96 (signed to press 21 May 96) p 2

[Unattributed report from the "Political Salad Column"]

[FBIS Translated Text] Boris Yeltsin's edict No. 722 "On Changing Over to Staffing the Ranks of Private and Noncommissioned Officers in the Armed Forces and Other Troops of the Russian Federation on a Professional Basis" has provoked much hostility among the generals. According to the edict, general conscription — which was introduced in Russia almost 300 years ago by Peter the Great — will be abolished in the spring of the year 2000.

The decision overrides a recent directive from Pavel Grachev, setting out a policy of reducing the number of men serving on contracts from this year.

The main organizational and mobilization directorate of the General Staff thinks that volunteers will be unable to fully replace conscripts over the next 10-15 years.

The panic has also affected lower ranking officers who are involved in the call-up, but the reason here is purely mercenary. A source of income is under threat. Unfortunate parents, who fear bullying or that their sons will be sent to Chechnya, are paying bribes averaging between $3,000 and $5,000 to enable their beloved, and often their only son to dodge the draft. Even in the Tsarist army there was the practice of buying one's way out of service. Volunteers were hired using this money.

Russia: Minister Pak Views Defense Industry Revamp

MM2205155496 Moscow KRASNAYA ZVEZDA in Russian 18 May 96 p 3

[Account of news conference by Russian Defense Industry Minister Zinoviy Pak by Valentin Rudenko; place and date of conference not given: "Zinoviy Pak: Defense Industry Is Starting To Live a Civilized Life" — from the "Russian Weapons" section]

[FBIS Translated Text]

From KRASNAYA ZVEZDA Files

Zinoviy Petrovich Pak. Born 1939 in the village of Lany Sokolovskiye near Drogobych. Graduated from Lvov State University. A chemist by profession. Worked at the "Soyuz" scientific production association in Lyuberetskiy. In 1995 became general director and general designer of the "Soyuz" Federal Dual Technology Center set up under the Russian Federation president's edict. In January 1996 he was appointed chairman of the Russian Federation State Committee for the Defense Sectors of Industry and from this May has been minister of the defense industry. He is a doctor of chemical sciences, professor, and academician of the Russian Academy of Natural Sciences. He won a Lenin Prize in 1984 and a State Prize in 1980. He is married and has a daughter.

As we have already reported, by the Russian Federation president's edict of 8 May this year the Russian Federation State Committee for the Defense Sectors of Industry [Goskomoboronprom] was reorganized into the Ministry of the Defense Industry. In addition, the president issued the Edict "On Priority Measures To Support Russian Federation Defense Complex Enterprises." In the opinion of Defense Industry Minister Zinoviy Pak the decisions adopted will make it possible to radically

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change the situation in the military-industrial complex. He expressed this viewpoint at a news conference held this week.

[Pak] History teaches us that the country's defense capability must always be maintained at the highest level in order to prevent at all costs a repetition of 1941, when we incurred huge losses, Defense Industry Minister Pak observed when opening the news conference. The edict reorganizing the Russian Federation Goskomoboronprom into the Ministry of the Defense Industry and the Edict "On Priority Measures To Support Russian Federation Defense Complex Enterprises" issued by the Russian president on the eve of Victory Day are specifically aimed at strengthening the country's defense capability.

The defense industry has a multitude of exceptional qualities and merits. A state outlook, a law-abiding approach, a high level of technical potential, and discipline are its characterists. Whereas, unfortunately, it lacks experience of market relations. We are trying to propagandize this in every way possible and to train cadres.

The ministry sees one of its main tasks as carrying out reforms and establishing new relations which bring both new quality and new productivity. Gone are the days when it was possible to live according to the gimme, gimme, gimme principle.... Now, when producing both civilian and military products, we have to think about how to attract nonbudget sources of funding and commercial money instead of just relying on the state budget. We have to ensure that enterprises earn their keep. This will make it possible to build up resources, among other things to fulfill the defense order. But here, especially in the first stage, it will not be possible to do without state support.

We regard the reorganization of the Russian Federation Goskomoboronprom into the Ministry of the Defense Industry in the context of strengthening structural reorganization in the defense industry in the interests of maintaining the necessary level of defense-industrial potential. It must be admitted frankly that, although the Goskomoboronprom did have a certain authority, its status nonetheless did not allow it to influence the development of the defense industry and the formulation of the defense order to the necessary extent or to resolve other key questions. The committee's chairman was not a member of the government. This is largely the reason why there were shortcomings in, for example, the privatization and floating of some defense enterprises. We have now been forced to raise the question of buying back shares in a number of defense firms which are of strategic importance or which are monopolists in the manufacture of particular military equipment. There is an awareness of this in the government.

In our view the conversion of defense production facilities being carried out everywhere should be viewed as an integral part of maintaining the defense complex' capability, since the achievement of conversion objectives makes it possible to retain people and fill production capacity. An enterprise must not be divided into parts whereby one part works on the defense order and another part on conversion. It must be united.

As regards the edict on priority measures to support defense complex enterprises, in many respects I would class it as an emergency edict. Not as an immediate emergency edict but as one designed for the long term and intended to create normal conditions for the functioning of the defense complex. At the same time we must clearly realize that this edict's practical implementation will require an enormous amount of work not only from the Defense Industry Ministry but also from other ministries and departments.

In accordance with the edict, by the end of May the state must settle in full for the defense order fulfilled in 1994-1996, which totals approximately 6 trillion rubles [R]. A mechanism for clearing this debt has been determined. In particular, it is envisaged that enterprises fulfilling the state defense order will be granted a deferment in paying tax arrears within the limits of the coming budget debt until state customers for weapons and military equipment have settled in full for the defense order fulfilled in 1994-1995 and the first quarter of 1996.

It has been decided to mutually offset debts with the power industry, which owes the state approximately the same sum in the form of taxes for the budget as the defense industry owes the power industry for heating, water, electricity, etc. I would like to observe that this is not such a simple task as might appear at first glance. It is easy to reckon debts at the first stage of cooperation. But as a rule there are hundreds of subcontractors working under chief enterprises.

The president has also taken the step of instructing the pension fund — and this is not a state structure — to give enterprises fulfilling the defense order a deferment in making pension contributions and penalty payments until debts to these enterprises have been completely cleared. Despite the fact that money for the defense order has not been transferred to us we have tried to pay wages to enterprise workers, as prescribed by law and logic. But as soon as they were calculated the pension fund meter set by law was immediately switched on. Fines were imposed in the event of nonpayment. Moreover, at many enterprises they have exceeded the debts many times over.

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It turned out that, instead of being protected, enterprises which were debtors through no wish of their own were punished. An important task is to ensure that enterprises have circulating capital. At many enterprises it has been practically reduced to zero, since even if money has been received it has immediately been transferred to the pension fund and the budget in the form of taxes, etc.

The edict envisages the funding of conversion programs. And regular, quarterly funding at that. Last year we received over R1 trillion less than we should have for conversion. This money would have made it possible to start up dozens of plants producing civilian products.

The president has instructed that advance payments be ensured for the first quarter of 1997 when fulfilling the state defense order. This is very important, since there are some technologies whereby it takes at least, say, six months or even a year for an item to be manufactured. It is simply impossible to make all this cooperation work without any money. In his edict the president has elevated to the rank of law the right — let me observe the right, not the duty — to issue advances which is envisaged by the law on the state defense order.

The preservation of mobilization capacity is an extremely important point of the edict. This problem is of exceptional importance when there is a limited defense order. Lately the resources allocated for the preservation of mobilization capacity have not covered even 10 percent of the resources needed to maintain it at the proper level. This situation cannot be considered tolerable.

I would like to focus attention on the need to complete the process of transferring social infrastructures — schools, hospitals, children's nurseries, housing, etc — to municipal authorities. Approximately 40-50 percent of enterprises have already achieved this objective. The rest have not yet made transfers by no means because they do not want to but because the local authorities, citing a lack of financial resources, are not accepting them. Unfortunately, in some places people have not understood the simple truth that real communal reform must be carried out in a region and not in an enterprise. Based on my experience at the "Soyuz" Federal Dual Technology Center, where I worked for a long time, I can say that when we have transferred social infrastructure to a city both sides have benefited.

Taking the recently adopted presidential edicts concerning the defense industry as a whole, it can be said that they create a good basis for stabilizing the state of affairs in the military-industrial complex, the real rather than imaginary support of our commodity producers, more active penetration of the world market, and the development of new, competitive equipment. This year we adopted the budget and approved the state defense budget earlier than ever before. Work to justify the 1997 defense budget is currently in progress. For the first time we have been able to keep expenditure on developing new models of weapons down to 12 percent of total expenditure on fulfilling the defense order, which has never happened before. On the whole the implementation of export programs is going successfully. All this gives grounds for hoping that the defense industry, in which the country's elite scientific and technical potential is concentrated, will finally start to live a decent, civilized life.

Russia: Conference on Defense Industry Problems To Be Held 29 May

LD2205142996 Moscow ITAR-TASS World Service in Russian 0740 GMT 22 May 96

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 22 May (Itar-Tass) — A major conference on the problems of Russia's defense industries will take place in Moscow on 29 May, First Deputy Prime Minister Oleg Soskovets told a telephone conference at the Russian Ministry of Communications today.

According to Soskovets, it will focus on covering the debts owed by the Defense Ministry to the defense industries for goods supplied. Particular attention will be paid to increasing the export of arms and military technology on the world market.

Russia: Military Considering Reintroduction of Propaganda Agencies

MK2305104996 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 23 May 96 p 1

[Report by Aleksandr Khinshteyn: "Commissars in Dusty Helmets.... The Political Agencies Are Coming Back"]

[FBIS Translated Text] At one time political [propaganda] agencies in the military were a powerful and omnipotent force. Even against the backdrop of the vicious special departments, political propaganda workers seemed to be the masters in the military, because all the propaganda, agitation, as well as the morale of personnel, were under their exclusive domain.

In August 1991 General Yepishev's formidable setup was abolished by a Yeltsin edict on depoliticization [of the military]. For an entire five years the military establishment has tried to live without a "leading and guiding force"; that is, until the plan to restore lost power emerged in the bleak building on Arbat Square [Defense Ministry headquarters].

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According to our sources, over the weekend coded cables were circulated to all of the country's military districts and to the main headquarters of the armed services. The cables invited chiefs of staff and commanders to present, as soon as possible, their opinion of the possible reassignment of military district press centers so that they will fall under the control of the deputy commanders in charge of educational work.

The idea behind this plan is clear. Today, all the military press centers (as well as military print publications) are subordinated directly to district and service commanders, the majority of whom are generally known to be in low-key opposition to Minister Grachev. Therefore, under their "umbrella" the press centers, newspapers, and magazines quietly engage in free-thinking and outspoken activities.

By transferring the press centers under the jurisdiction of the "educationists," who are in turn under the control of the Main Directorate of Educational Work in the Armed Forces, the problem of information leaks, so annoying to the center, will be effectively resolved. The position of deputy commander for education was created at the end of last year by order of the defense minister. The former chiefs of corresponding departments will perforce have to live up to their generals' ranks.

True, this initiative has received no support from the commanders. As of now, informed sources say, the absolute majority of district commanders have spoken sharply against the initiative. They were joined by Ground Force Commander Semenov. The deputy commanders for education at the Urals and Volga districts are probably the only exception; they sent in approving responses, apparently with the consent of their "bosses."

The generals understand very well what this shakeup is leading to. The fact is that the country's chief educationist, Lieutenant General Sergey Zdorikov — known for his closeness to Grachev — has been pressing over the past several months for an unprecedented expansion of the Main Directorate of Educational Work. If today he has control of only military education departments and deputy commanders, in the future Zdorikov dreams of also assuming command of the press centers, the military press, and special propaganda divisions. In other words, all those services that, prior to 1991, together with the political agencies, constituted the Main Political Directorate of the Soviet Army and Navy. This is being done with an ulterior motive.

Malicious sources at the Defense Ministry maintain that Zdorikov is creating such a grand structure "for himself" only in order to take up the so-far-nonexistent position of deputy defense minister for education. Incidentally, the general's project for establishing this structure is already on paper, and there is no doubt that the political old hand Zdorikov (in the past he was chief of an army political department) will get it.

The lieutenant general's wisdom is admirable. At one fell swoop, he addresses two huge problems: He restores the political agencies and deprives district commanders of the right to expression.

Federal Assembly

Russia: Yeltsin Amendments 'Taken Into Account' in Presidency Bill

LD2205135396 Moscow ITAR-TASS in English 1301 GMT 22 May 96

[By Pavel Kuznetsov and Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, May 22 (ITAR-TASS) — Virtually all amendments by Russian President Boris Yeltsin were taken into account in the draft law "On Russian President-Elect Assuming the Post" which was adopted by the State Duma in the second reading on Wednesday [22 May].

The deputies were inclined to pass the bill as a whole but put off the matter till the plenary meeting, to be held next Friday.

"New amendments to the document are not envisaged but it is necessary to consider the draft law again from the viewpoint of being juridically flawless," Anatoliy Lukyanov, Chairman of the Committee for Legislation, Juridical and Legal Reform, told parliamentarians at a plenary meeting of the house.

The draft law, if passed in entirety, which nobody doubts, will become the first law passed by the State Duma to regulate the activity of the Russian president.

The draft law determines the procedure of president's actions, as well as those of other officials in the transfer and acceptance of powers of head of state. Specific forms of the interaction of officials are established proceeding from the principle of keeping within the constitution, continuity and renewal of state authority.

The draft law includes a number of principled provisions, specifically, the requirement that no less than 30 days elapse from the official announcement of the results of the voting till newly-elected president is inaugurated. This period is needed to prepare a smooth transfer of state affairs, deputies said at the meeting.

Another provision of principle in the draft law is that President-elect, from the moment of inauguration, terminates or stops for the duration of his powers his

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membership or participation in political parties and public organisations, as well as party activity.

The draft law also defines the procedure of president elect's being sworn in and the procedure of the transfer and reception of state property involved in president's discharging his duties.

A special chapter sets out the procedure of the transfer by the government of its powers to the newly-elected president. The law also determines material, financial and other matters involved in the transfer of powers of the head of state.

The draft law establishes social and other guarantees regarding the person who terminated the discharge of Russian president's duties. The amount of guarantees for president of the USSR established by the decision of the Council of heads of state-members of the CIS at the Almaty meeting in December 1991 is taken into consideration.

Russia: Duma Fails To Overrule Veto on Election Control Bill

LD2205094196 Moscow INTERFAX in English 0904 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTERFAX) — The Russian State Duma failed on Wednesday to overrule the upper chamber's veto on a law on public control over elections and on the openness of procedures for summing up their results.

The Duma collected at first 275, and then 282, votes with a required quorum of 300 votes.

The lawmakers tried to overrule the veto last Friday, but without much success.

To finalize the law, both houses of parliament — the Duma and the Federation Council — should set up a conference committee. However, observers believe that the chances that the law will be adopted and signed by the president with less than a month left before presidential elections are very slim.

Russia: Duma Requests Yeltsin Submit Documents on Army Reform

LD2205143196 Moscow INTERFAX in English 1407 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTERFAX) — The Russian State Duma has unanimously requested Russian President Boris Yeltsin to submit the documents according to which he has decreed the formation of the Russian army on a contractual basis.

As many as 291 deputies voted in favor of this motion, which was introduced by a deputy chairman of the Duma Defense Committee, Mikhail Surkov of the Communist Party of Russia (KPRF).

The Duma also passed a resolution instructing the Audit Chamber to determine the efficiency and expediency of the use of budget funds and federal property by the Service Department of the Armed Forces and the Main Trade Department of the Defense Ministry. The house also decided to create a commission to find out how Russia's armed forces are serviced and maintained.

Russia: Duma Urges Ministers To Account for Chechen Events

LD2305085796 Moscow INTERFAX in English 0849 GMT 23 May 96

[FBIS Transcribed Text] MOSCOW, May 23 (INTERFAX) — The State Duma intends to summon to its plenary session tomorrow representatives of the Defense and Interior Ministries to hear their accounts of what is going on in Chechnya, especially in the village of Bamut.

This decision, Duma Chairman Gennadiy Seleznev said, was adopted at the Duma's special morning session. The summons will be sent to the two ministries during the day.

Viktor Ilyukhin, chairman of the Duma Security Committee, called for delegating a Duma deputy to Chechnya. Indignant at "the cynical use" of the Chechen issue in President Yeltsin's re-election campaign, Ilyukhin lashed out against media for "whipping up propaganda hysteria over the planned trip by the head of state to Chechnya."

"As it was back in the early nineties, Yeltsin is again being made a martyr and a hero," Ilyukhin declared, claiming that neither the president nor the government are able to adopt proper measures to stabilize the situation in Chechnya and elsewhere in the country.

The call for a account by the ministries was prompted by the death "of over 70 Russian servicemen at Bamut over the last three days," he said.

Earlier, the State Duma invited to the session Russian Defense Minister Pavel Grachev to hear him account for the heavy casualties suffered by the 245 motorized infantry regiment. A number of lawmakers then called for Grachev's resignation, but their calls were in vain.

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Russia: Duma Passes Anticorruption Bill at First Reading

LD2205143596 Moscow INTERFAX in English 1414 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTERFAX) — The Russian State Duma agreed with the basic provisions of a bill on fighting corruption by passing it in a first reading. The Duma's Security Committee has been told to edit the bill in the light of the amendments suggested and submit the bill to the house for a second reading in June.

Committee chairman Viktor Ilyukhin, of the Communist faction, who coauthored the bill, said that the document provides a legal definition of corruption and makes both bribery and bribe-taking a crime.

An organization can also be regarded as guilty of bribery if, for instance, a decision to pay a bribe is made by a shareholders' meeting. On the other hand, an organization can only be fined for this.

The bill distinguishes between citizens who are not officials, those who are officials and those who are very senior officials and metes out punishment accordingly, Ilyukhin said.

Arguing for urgent passage of the bill, he said that 20 percent of oil produced in Russia, or $20 billion, is illegally sent abroad every year.

Russia: Duma Clashes With Government Over Transfer of Pensions

LD2205222596 Moscow ITAR-TASS World Service in Russian 1833 GMT 22 May 96

[By Pavel Kuznetsov, ITAR-TASS parliamentary correspondent]

[FBIS Translated Text] Moscow, 22 May (ITAR-TASS) — The State Duma today adopted the resolution "On the Actions of the Russian Government for the Liquidation of the Pension Fund of the Russian Federation." This follows the Russian Government instruction, adopted on 7 May, that the Ministry of Social Welfare of the Population, the Ministry of Finance, the state taxation service, and the Pension Fund should prepare, within two months, draft resolutions necessary for setting up a federal service for the provision of pensions, "taking into consideration the transfer of the functions of collecting insurance payments into the Pension Fund of the Russian Federation to the state taxation service," the document says.

The liquidation of the Pension Fund of the Russian Federation has practically started, although the government has not yet made its final decision on this issue. The resolution points out that telegrams have been sent to heads of the state taxation service of the Russian Federation and to its regional offices to the effect that organizational measures should be carried out to enable tax offices to take charge of collecting insurance payments.

The deputies described these actions as a destabilization of the work of the Pension Fund and said that they destroy the principle of providing pensions through insurance.

In this connection, the deputies urged the government to call a halt to the actions of the federal executive authorities transferring the collection of insurance payments into the Pension Fund of the Russian Federation [to tax offices], and to adopt appropriate regulations and legislative acts, enabling a comprehensive discussion of the pension reform.

Regional Affairs

Russia: Chernomyrdin Confirms Yeltsin To Visit Chechnya

LD2205155496 Moscow INTERFAX in English 1516 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian President Boris Yeltsin will go to Chechnya, Prime Minister Viktor Chernomyrdin told representatives of the Chechen community in Russia in Moscow Wednesday.

Peace and disarmament in Chechnya remain the priorities for Russian authorities, Chernomyrdin said. "After that, we will deal with the restoration of the republic," he said.

Speaking on the upcoming presidential elections in Russia, he said developments in Chechnya could go another way, if other forces prevail.

"With today's capabilities, we can crush and wipe out Chechnya in three days," Chernomyrdin said. "However, we proceed from the assumption that this is our republic and Russian territory."

Chernomyrdin reiterated he, as chairman of the State Commission for Chechnya Settlement, was "ready to meet with any separatist commander or influential Chechen person who is in control of the situation." He guaranteed total safety for such commanders. "We will bring him to Moscow and then back to Chechnya," he said.

Many Chechen businessmen, social workers and officials present at the meeting kept saying that some Russian media were far from impartial in covering the events in Chechnya. Chernomyrdin proposed they lay

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out their vision of settlement prospects in Chechnya in the "Government Hour" TV program on Russian state television—channel two.

Chernomyrdin agreed with the Chechen representatives on the need to coordinate their settlement efforts with his commission. Much should be done to make it possible for Chechen youth to live, study and work normally, he said.

Young Chechens have not studied and worked for the last five years, Chernomyrdin said. He was confident that Chechen soldiers will serve in the Russian army on common grounds after peace is established in Chechnya.

Russia: Chernomyrdin, Chechen Diaspora Group Meet in White House

LD2205181096 Moscow Russian Television Network in Russian 1600 GMT 22 May 96

[Video report by Ye. Bosenko; from the "Vesti" newscast]

[FBIS Translated Text] Chairman of the Government Viktor Chernomyrdin met members on the campaign group of Russia's Chechen diaspora in the White House today.

[Begin recording of B. Yushayev, member of the campaign group] Assembled here are the people working in the economy, the people not interested in the least in getting some portfolios, or sacks as we say. Our only aim, our only objective is to stop this war in any way possible. [end recording]

The prime minister said he was prepared to cooperate with anyone who can help meet this objective. The campaign group, which aims at the same thing, intends to leave for Chechnya shortly on a mediation mission.

[Begin recording of Professor D. Gakayev, head of the Chechen cultural center] We are satisfied with this meeting. At least we were told that the Government of the Russian Federation is prepared to do its utmost at all levels to put a stop to hostilities in the Chechen Republic as soon as possible. [end recording]

The group is expected to operate on a permanent basis and its meetings with the head of government to be held regularly. [video shows meeting, two men interviewed in the lobby]

Russia: Yandarbiyev Prepared To Meet Yeltsin in Dagestan

LD2205175896 Moscow Russian Television Network in Russian 1600 GMT 22 May 96

[From the "Vesti" newscast]

[FBIS Translated Text] The leaders of the [Chechen] armed opposition clearly have their own proposals on how they could talk to the Russian president. Zelimkhan Yandarbiyev, the leader of the Chechen opposition, is prepared to meet the Russian president in the capital of Dagestan. He entrusts the Union of Muslims of Russia to organize the meeting. A decision to that effect was made on 20 May at a conference of the Chechen separatist leadership, as confirmed by a report we received today from Makhachkala.

[Begin Yandarbiyev recording] Khachilayev, the leader of the Union of Muslims of Russia, can, or could, play a positive role and serve the cause of establishing this relationship. Specific details have been discussed and Khachilayev is aware of them. [end recording] [video shows Yandarbiyev, Chechen Chief of Staff Aslan Maskhadov, Field Commander Akhmed Zakayev, and three other unidentified men sitting in a room adorned with the Chechen national flag]

Russia: Zavgayev Interviewed on Chechen Situation

LD2205162496 Moscow Mayak Radio Network in Russian 1334 GMT 22 May 96

[FBIS Translated Text] Pavel Guskov, our correspondent in the north Caucasus, is on the line to Mayak studio. What is new?

[Guskov] Good evening. In today's edition of STAVROPOLSKAYA PRAVDA, one of the major and most popular newspapers in Stavropol Territory, is an interview with Doku Zavgayev, head of the Chechen government. I will mention certain points of the interview. Asked about the current situation in Chechnya, Zavgayev said that, I quote, it is quite complex on the whole although authority, public order, and control are being spread to a considerable part, covering 90-95 percent of the republic's territory. Nevertheless, there still are seats where things are happening, and this is worrying us, naturally.

Zavgayev stressed that, in his view, the greatest danger lies in the fact that the so-called fighters are receiving support from outside, not local support from within the republic but from outside — money, weapons, and a great number of mercenaries. Zavgayev meant foreign countries too. In fact, armed clashes are taking place manly with mercenaries. This foreign factor is causing

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serious concern, and Zavgayev raised this issue at a meeting of the state commission in Moscow.

Describing the military situation in the republic, Zavgayev said that the war had finished over there, and only individual seats remained. The war that was in progress before has ended. There are provocations and terrorist acts, though, and countermeasures are likely to be needed for a long time to come. He drew attention to the fact that given large-scale unemployment — with only 50,000 stable jobs available to the republic's population of 1 million — conditions encouraging criminal tendencies among a certain part of the population arise. He expressed the hope that this problem would be solved with assistance from Russia and its leadership.

It is significant that this opinion belongs to a person who, contrary to claims made by some media sources, wields real power in the republic and enjoys increasing respect. Suffice it to say that for the first time in the last few years, almost 70,000 hectares have been sown this year. I will add that earlier, when the Chechen-Ingush Republic was a single entity, 150,000 hectares used to be sown altogether. As was clear from my conversation with Zavgayev, he believes that Chechnya's farming is beginning to revive and this, he believes, is the main condition for stabilizing the situation in the republic.

Russia: Grachev Reports 800 Chechen Rebels in Bamut 'Stronghold'

LD2305083596 Moscow ITAR-TASS in English 0741 GMT 23 May 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] CHITA, May 23 (Itar-Tass) — There are 800 rebels in the mountainous Chechen village of Bamut, who turned this settlement into a stronghold, Russian Defence Minister Pavel Grachev who now inspects troops of the Trans-Baykal Military District, said on Thursday [23 May].

He noted before his departure for the Borzinskiy garrison from Chita that Chechen gunmen are reinforced by mercenaries who came from abroad.

Grachev praised actions of troops in Chechnya, pointing to their bravery and professional skills. He said this at a meeting with the personnel of a motorised regiment at a district proving ground, during a conversation with the command of the military district and staff officers.

Russia: Chechen Rebels Claim Federal Troops Sustain 'Heavy Losses'

LD2305112796 Moscow INTERFAX in English 1114 GMT 23 May 96

[FBIS Transcribed Text] SOUTH CHECHNYA, May 23 (Interfax) — In western Chechnya federal troops have made another attempt to storm the village of Bamut - a tenth over the past three days.

A spokesman for the militants' chief headquarters has said that Russian troops "have sustained heavy losses," 400 men killed and 200 others injured.

The Chechen militants also claim they destroyed six tanks and 19 armored personnel carriers and downed two helicopter gunships.

Chechen military say that Russian aircraft raided Chechen positions near Bamut 47 times over the past four days.

By contrast, Russia's federal troops command claims it lost 16 to 21 men killed and some injured.

An INTERFAX correspondent several kilometers away from Bamut says Thursday's bombings by federal troops are the heaviest over the ten days of active combat operations near the village.

Russia: Chechnya Prepares for Presidential, Parliamentary Elections

LD2205152996 Moscow ITAR-TASS in English 1246 GMT 22 May 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, May 22 (Itar-Tass) — Preparations for the elections of President of the Russian Federation and deputies to the People's Assembly of the republic are under way in Chechnya.

District electoral commissions were set up in about all the parts of the republic, and now there are 260 of them instead of 400, Yakub Sabirov, deputy head of the republican electoral commission, told Itar-Tass today.

At the same time, the electoral campaign is going on with difficulty in those area, where the socio-political situation remains unstable, he continued. According to Sabirov, workers of electoral commissions were attacked in a number of populated localities of the Groznyy, Vedeno and Nozhay-Yurt regions, as well as in the Staropromyslovskiy district of Groznyy. Lists of electors were confiscated from them and destroyed.

Nevertheless, Sabirov believes the turnout will be high. According to his estimates, from five to 10 candidates

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will vie for each seat in the People's Assembly of the Chechen republic.

Russia: Chechnya's Zavgayev Doubts Khasbulatov To Stand in Election

LD2205194496 Moscow ARGUMENTY I FAKTY in Russian No. 21, May 1996 (Signed to Press 21 May 96) p2

[Unattributed, untitled report in the "Political Salad" Column]

[FBIS Translated Text] Parliamentary elections are due to take place in Chechnya on 16 June. Reports have appeared about Ruslan Khasbulatov intending to take part in them. It is alleged that he will announce his second peacemaking mission for this.

However, Doku Zavgayev told ARGUMENTY I FAKTY that only one mission can be envisaged for Khasbulatov in the republic — "to testify about his crimes against the Chechen people."

Russia: St. Petersburg Mayor Discusses Achievements, Problems

MM2205140796 Moscow ROSSIYSKAYA GAZETA in Russian 22 May 96 p 7

[Interview with Mayor Anatoliy Sobchak of St. Petersburg by Mikhail Nikolayev; place and date not given: "We Did Not Begin the Reforms With Plaudits in Mind"]

[FBIS Translated Text] With this man there is no need for any introduction. Since first appearing on the political scene in 1989 he has been "ever-present," remaining true to his unswerving principle that democracy is a right. He upheld it from the rostrum of the Union and later Russian parliaments, he upheld it during the August putsch, and he upholds it now, as mayor of St. Petersburg. Our correspondent talked to Anatoliy Aleksandrovich Sobchak.

[Nikolayev] A phenomenon which audaciously made its presence felt in the late eighties and early nineties could rightly be dubbed "democratic romanticism." Naturally, it is not a question of terminology, but it probably does convey the essence of what society went through back then. You, Anatoliy Aleksandrovich, were one of the new wave of politicians. But now it seems that you are virtually the "last of the Mohicans." After all, your comrades who upheld democratic principles have departed the political scene relatively quickly. How would you assess that "departure"?

[Sobchak] What caused this "departure"? That is a subject that merits its own research project. The essence of the "first wave" of democracy was to provide opposition to the totalitarian regime and to provide an alternative force. Having attracted people of different views who were united by a hatred of communism, it lost the focus of its criticism in August 1991. The system was bound to collapse, and it collapsed without any particular impetus from the democrats. The entire subsequent period has shown that the "romantics" were totally unprepared to take power. They had neither the experience required nor a ready-made action program. This collision with real life rapidly shattered the illusions that many of them had harbored. They were not far-sighted enough politically. The leaders of democratic movements and organizations that did nonetheless obtain portfolios in or close to office grasped quite quickly the difference between rostrum rhetoric and prosaic work. It is far more convenient to be in opposition to any authority than to be responsible for specific areas of work.

The "first-wave" democrats paved the way for the "second wave" and then the "third wave." In each instance the political situation naturally differed, but the results repeated themselves with disappointing regularity. I used to be a professional climber and can draw a comparison from that sport. When you reach the summit you are tired but you have a feeling of immense joy. Your head is even spinning. It is the same in politics. People scramble their way to the summit and start thinking that they will stay there forever. But life still goes on down below.... October 1993 was proof of that and a lesson from which, sadly, the democratic movement has learned little.

In subsequent years the main requirement — the unification of democratic forces — has failed to come about. And the result of this, in my view, historic mistake is liable to have a major impact on June's Russian presidential election.

[Nikolayev] You have deliberately made a journey in power, moving from purely political activity (although you remain a politician) to administrative and managerial activity. Leadership is a tough job.... Has it been hard for you, as a doctor of juridical sciences and a professor previously known for your teaching, to "recast" yourself?

[Sobchak] A widespread mistake made by post-Communist democrats was to believe that criticism of the former regime automatically entitled them to immediately move into leadership. And the scale was not taken into account: They were prepared to run both small towns and the entire country. The main thing was to make themselves known on all the TV channels and in the press, in the belief that you can learn to administer things "on the job," as it were. I would be less than sincere were I to say that I did not hesitate before

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making a decision which I knew would fundamentally change my destiny. The experience I had gained during my two years working in the country's legislative organs convinced me of one thing: We needed to step back from political games, be independent, and talk more bluntly about our passions.

I will make no secret of the fact that I had a lot to learn. As you have said, "recasting myself" was far from easy. Not least because no timetables or plans for city or other events set aside any time for it. I am by nature a gentle person, disinclined to make tough decisions. I have never hyped myself or my abilities. Probably because I am well aware of them and pretty ironic about them. But running a city like St. Petersburg is a totally different ball game from running a faculty. I started restructuring myself step by step. I had to learn to be tough, to run things, and, above all, never top upset the equilibrium in power.

I profess a simple principle: It is not "party" allegiance but professionalism that determines people's right to work in the structure of city power. For instance, two of my deputies are former CPSU raykom secretaries. My other deputies are youngsters under 35. I will not say that the team was easy to assemble — it still occasionally strikes a false note. Equilibrium in power is a very fragile thing and has to be treated cautiously, because we are not dealing with an abstraction.

[Nikolayev] Five years, by any standards, is a considerable length of time for the mayor of St. Petersburg to carry out his plans. What have you achieved? Where have you failed, and why?

[Sobchak] I would define the main achievement in two words: achieving stability. That was more important than anything. We have managed to bring the city through the political chaos, like a ship in a storm, without any losses, without any anomalies, and without any upheavals. St. Petersburg was not turned into an arena of armed clashes even during the most critical days of August 1991 and October 1993. The domestic political position which we upheld prevented the city from turning into a Red Vendee or from repeating the fate of Tbilisi, Baku, Vilnius, Moscow..... After all, catastrophe was so close at hand that it was literally at our city walls.

Second, I believe that we have succeeded in implementing reform more sensibly than in other parts of the Russian Federation. And when we began reform, we did not have plaudits in mind.

On becoming mayor I put forward the idea of turning St. Petersburg into a free economic zone. The political conditions of those years meant that the idea was filed away at federal level. But thanks to that idea we did manage to win certain rights. Above all, in the sphere of joint business and the attraction of foreign investment. The city was the first in Russia to independently set up joint ventures without going through Moscow. There are now more than 6,000 of them in St. Petersburg. The first joint-venture foreign banks were also set up in our city. Changing our tactics, we opened subzones — a kind of free economic zone within St. Petersburg itself. They have their own customs duties, tax "holidays," and other financial and economic advantages that are of benefit to both sides. More than 40 percent of the revenue provided by the subzones is used for the citizens' social needs, while the rest of the revenue is used to develop production.

This idea stemmed directly from another, which was of fundamental importance to me as mayor. I am talking about reviving St. Petersburg as Russia's main financial center. There are currently around 200 banks, five of them foreign, operating here. The city is number two in Russia for long-term loans. Total long-term lending over the past three years has increased 284-fold! The holding in St. Petersburg of the annual conference of the European Bank for Reconstruction and Development Board of Governors was international recognition for our banking system. Its participants received an extensive catalogue of various investment projects in our city, and the proposals have been quickly developed in practice, which will help to bring hundreds of millions of dollars into the region. The growth in foreign trade turnover has become steady: It has almost trebled over the past four years. During this period our foreign trade surplus has trebled.

In short, we are trying to use any opportunity to replenish the city budget. For instance, a year ago there was an occurrence whereby a tradition that had been broken off since 1913 was revived: The administration issued a State City Loan Bond. In prerevolutionary St. Petersburg loan funds were used primarily to build water supply lines and power lines, to provide outdoor facilities, to build the streetcar network, and to construct a sewerage system. This was the money that built the Dvortsovyy and Troitskiy Bridges. Now this good idea has been revived. The St. Petersburg City Government was able to find an alternative source of revenue at a time of industrial slump and acute budget deficit. Total municipal bond issues came to 2.1 trillion rubles last year, there were 16 bond issues, and nine issues have been redeemed on time — which has undoubtedly helped to boost investors' confidence in the city's bonds....

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I have tried to draw attention to the St. Petersburg experience. It may also be suitable for other parts of Russia.

[Nikolayev] Anatoliy Aleksandrovich, there have been a lot of complaints about the mayor and the government. You did not mention in your reply what you have failed to accomplish in your five years as city leader. And, in general, what your attitude is to your failures or defeats.

[Sobchak] I am very well aware of the criticism of me and of the shortcomings that are inevitable on the path I have deliberately chosen. Even now, on the eve of and during elections in St. Petersburg, I have not changed my rule and will not waste any time or effort on arguing with the contenders in an attempt to prove that the city needs me more than any of the others in the race. Needless to say, the easiest thing of all is to criticize the current authorities and promise people a gold mine. I now firmly know that the only good promises are those that are backed up by real ability. People have long since grown tired of endless changes. Figuratively speaking, the time has come to build walls. Regrettably, we are more used to destroying than we are to building.

[Nikolayev] Anatoliy Aleksandrovich, you are sometimes called the St. Petersburg "culture minister." That is a transparent allusion to the fact that as mayor you would do better to ensure that the plants were working, the streetcars and buses were running, there were no accidents in the subway, and people could move out of municipal housing as quickly as possible. But Sobchak stages festivals and proclaims the city a center for tourism, for finance companies....

[Sobchak] I will make no secret of being proud rather than ashamed of that informal title. St. Petersburg is a great cultural city. And I am glad that I have managed to some extent to return international and all-Russia festivals and competitions to the banks of the Neva and to attract outstanding performers to the concert halls.... The '94 Goodwill Games and the bid to host the 2004 Olympics are in the same vein. St. Petersburg was recently named as the venue for the 2000 hockey world championships. Incidentally, Sweden, where a similar tourney was held, earned $10 million from it.

Over the past five-year period not a single cultural institution in the city has been closed. In the very near future the Russian Government intends to examine a federal program for preserving and developing the historic center of St. Petersburg. It has been developed with the participation of all City Hall committees and will last 10 years.

That is my response to the criticism from people who state that St. Petersburg needs "an economic governor far removed from politics." Needless to say, economic activity is an exceptionally important part of the mayor's or governor's activity. But there is also no doubt that in the city leader's team the economy should be handled by professionals. And the head of the administration must find and recruit them.

[Nikolayev] June 16 is drawing inexorably closer. The Russian presidential hopefuls have been paying increasingly frequent visits to St. Petersburg. That is understandable — it is the second capital! What is your prediction?

[Sobchak] On the basis of my own political analysis and the sociological polls regularly held in the city, I am prepared to predict that more than 35 percent of St. Petersburg voters are now prepared to vote for Boris Yeltsin. As a comparison, I would say that Grigoriy Yavlinskiy, who is very popular here, will win around 23 percent of the vote, while Gennadiy Zyuganov will take 14 percent. I personally support the reelection of the current Russian president. It is exceptionally important for Russia to have a leader who will be able to take it forward, as Yeltsin the reformer is able to do, rather than backward, as the Communist Zyuganov is likely to do.

After what Russia has been through over the past century, it will simply be unable to endure another dictator or another revolution — which could be the bloodiest in its history.

Russia: Grachev Visits Shadrinsk in Ural Military District

MM2205142796 Moscow KRASNAYA ZVEZDA in Russian 22 May 96 p 1

[Report by Aleksandr Pelts: "Russian Federation Defense Minister in Shadrinsk"]

[FBIS Translated Text] During an inspection tour of Ural Military District, the Russian defense minister, Army General Pavel Grachev, visited a military base in the city of Shadrinsk. It was noted that the aim of the work at the base was to study servicemen's social and everyday conditions. But why was this place in particular chosen? The fact is that a military unit under the command of Colonel Aleksandr Kazakov was transferred here in 1993 from the Baltics. Airmen were found themselves in a difficult situation. The city of 90,000 was simply not in a position to provide the members of the servicemen's families with either housing or employment. Even today, 414 families, including 127 families of airmen, do not have a place of their own.

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The defense minister noted that he is aware of the problem and the Ural Military District's commander, Colonel General Yuriy Grekov, is also familiar with it. It was promised that the first 120 apartments for servicemen will be made available as early as this year. Moreover, it is planned to hand over a further 200 apartments each subsequent year. In August 1996, a hospital should be commissioned at the military base, which will create a solution to the problem of providing members of servicemen's families with employment.

Unfortunately, Army Gen. Pavel Grachev noted, it is not within the powers of the military department to resolve all the problems as the matter is being held up owing to a lack of funds. But everything that depends on the district command and the Defense Ministry leadership will definitely be carried out.

Shadrinsk is but one of the Ural military District's bases which the defense minister has planned to visit. His itinerary takes him through the Transbaykal and Siberian Military Districts, where questions of the troops' preparation for the summer training period will continue to be examined. It is proposed that the defense minister, Army Gen. Pavel Grachev, visit Yurga in order to follow the progress of construction at this base.

Economic Issues

Russia: Yekaterinburg Economic Forum Urges Support for Yeltsin

MM2205125396 Moscow IZVESTIYA in Russian 22 May 96 p 5

["Political Statement by Participants in the First Russian Economic Forum"; carried in section of page devoted to advertisements]

[FBIS Translated Text] Compatriots!

Today Russia is living through one of the most complex and dramatic periods in its history. The question of choosing the way to implement difficult yet absolutely essential reforms, to form a democratic rule-of-law state, and to develop real federalism faces us once again.

What is needed for the development of Russia now is:

— first, the maintenance and strengthening of political stability on the basis of democratic institutions and procedures;
— second, the social reorientation of the reforms;
— third, the consolidation of federal and regional power structures, business circles, public movements of a democratic orientation, and all sections of the population that value peace, stability, and the prosperity of Russia.

In this connection we participants in the First Russian Economic Forum urge all representatives of the country's reforming forces to unite around B.N. Yeltsin to promote his reelection to the post of president of Russia as the guarantor of the country's stable economic and social development.

[Signed] The participants in the First Russian Economic Forum

Russia: Yeltsin's Tax Edict Sketched

MK2205135696 Moscow KOMMERSANT-DAILY in Russian 22 May 96 p 3

[Report by Aleksandr Chashchin: "Pro et Contra"]

[FBIS Translated Text] Russia's tax legislation has been altered by a presidential edict — Boris Yeltsin has decided that it is no longer possible to temporize. Naturally, it is necessary to see where this leaves the taxpayer. Advantages are of course there, although some are not very simple to take. There are, however, some disadvantages, too.

The situation under which the president amends the tax legislation is, of course, singular. The president's economic aide Aleksandr Livshits rather graphically commented on the situation at yesterday's press conference: "The president for a long time refrained from issuing this edict, hoping that parliament would pass the tax code — at least its general part. But since this did not happen and the situation brooked no delay, the president signed the edict." Livshits particularly stressed that "on the whole the edict fits into the framework of the legislation. And it will undoubtedly be in operation until after the new tax code has come into force."

Have the tax regulations become easier? They have in a sense. The point is not only that Boris Yeltsin once again confirmed in his edict his intention to carry out a tax reform that aims — among other things — at making the tax system stable and reducing the number of taxes. The document provides for concrete (even sensational) moves to make taxpayers' life easier.

The most important of them being that no penalties will be levied on federal budget debts incurred on 20 May. No interest will be charged on penalties calculated as of 20 May 1996. The size of a penalty is reduced as of 20 May from 0.7 to 0.3 per one day of delay. Moreover, the government has been tasked with drawing up and submitting to parliament, within a month, a draft law on the holding of a tax amnesty in 1996 that will in fact legalize the president's decision to charge no penalties. And which will provide for the "payment of tax arrears (incurred by 20 May) by enterprises as well as the exemption from penalties and fines for

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debts that organizations pay voluntarily — regardless of why they were unpaid and including deliberately concealed debts." Livshits noted with regard to this that the edict can be taken as a freezing of debt toward the federal budget that remained unpaid because of piled up penalties. He assessed these unpaid debts as being to the tune of at least 10 trillion rubles.

The simplified procedure for paying taxes contained in the edict may be seen as being to the taxpayers' advantage — it permits, as of 1 January 1997, the payment of all the taxes at once but "not more frequently than once a month" — this, instead of having to pay taxes in advance of certain specified dates. The list of terms to be observed in doing so, however, indicates that not many would be able to take advantage of this. Those who would are supposed to have no debts toward the budget, keep records of sold products on an accrual basis and by making out commercial invoices, carry out no barter operations, issue bearer securities, and not violate the customs and tax legislation.

It is, of course, to the taxpayers' advantage that the edict substantially widens the number of outlays that can be described as production costs. Essentially, it is now possible to write off any outlays as production costs with the exception only of those included in the edict in a special list. Among them are sums to buy depreciable property, penal sanctions, sums to pay the profit tax, moneys with which to buy land, charitable contributions above 5 percent of the net profit, and host and traveling funds above 10 percent of the net profit. The depreciation rules will be liberalized as of the start of the new year: All depreciable property will be divided into four groups, each of which has approved rates of depreciation (ranging from 5 percent for buildings and structures to 25 percent for motor vehicles and computer equipment).

On the other hand, a number of provisions in the edict are intended to stabilize budget revenue, and this clearly worsens the position of taxpayers. For example, all enterprises (with the exception of small ones) will be obliged to change over, as soon as the beginning the third quarter of the current year, to the accrual basis of calculating their profit taxes. This means that their sales proceed from the moment they receive advance payment for their products and ship them, or perform some work or render services. Small businesses are permitted to choose between the accrual basis and cash basis of calculating their proceeds (according to the latter procedure, proceeds are calculated from the moment the money paid for sold products is received).

Furthermore, the edict specifies that, as of 1 July 1996, value-added tax [VAT] in export operations will be returned only after the taxpayer has received the proceeds on its account in a Russian bank. All payers of VAT will have to go through a complex bureaucratic procedure of filling out accounts containing the name and registration number of the supplier, the product, its consignee, the cost of the product, and the VAT. The supplier is supposed to make out an invoice in two copies, one of which will be kept by the buyer. Suppliers are also obliged to put invoices in a special file.

Russia: Consumer Price Inflation Continues at Slow Pace

MM2305091296 Moscow ROSSIYSKAYA GAZETA in Russian 22 May 96 p 3

[Unattributed report "based on figures from the Russian Federation State Committee for Statistics": "Inflation Voting for Reform and Staying Subdued"]

[FBIS Translated Text] The consumer price index between 6 and 13 May 1996 was 100.4 percent, including 100.5 percent for foodstuffs, 100.3 percent for nonfood goods, and 100.4 percent for paid consumer services.

The consumer price index since early May is 100.7 percent, including 100.6 percent for foodstuffs, 100.4 percent for nonfood goods, and 101.3 percent for paid services.

The consumer price index since the start of the year is 113.1 percent, including 112.3 percent for foodstuffs, 108.8 percent for nonfood goods, and 126.6 percent for paid services.

The average cost of the basket of 19 main foodstuffs calculated over the month was 255,700 rubles [R] — 0.3 percent up on the previous week.

At this rate of price growth for goods and services the consumer price index for the month could be 101.6-101.8 percent.

Consumer goods and services increased in price most in the West Siberia economic region, mainly as a result of price rises for paid services. The smallest increases were in the northern, central, and East Siberia regions — up 0.2 percent.

Foods were up 0.5 percent as a whole. As was the case last month, vegetable prices increased most notably.

There was virtually no change in the prices of butter, margarine, sugar, milk and dairy products, coffee, mayonnaise, flour, pasta, and apples over the week. Prices for vegetable oil, eggs, potatoes, tangerines, and oranges fell by 0.6-1 percent.

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The cost of the basket of 19 main foodstuffs for Russia as a whole came to R255 700 at 13 May.

The overall increase in prices of nonfood goods was insignificant, at 0.3 percent. Only cardiovascular medicines (valocordin, korvalol), certain types of children's summer wear, children's and adults' bicycles, and glassware increased by 1.0-1.6 percent. Prices of newspapers, certain kinds of footwear, crockery and metal dishes, and construction materials increased by 0.4-0.8 percent.

Russia: LUKoil's 1995 Net Profits Exceed 1994's by 252 Percent

MK2305071296 Moscow KOMMERSANT-DAILY in Russian 22 May 96 p 9

[AFI report: "In One Year's Time LUKoil Has Grown Like a Mushroom"]

[FBIS Translated Text] The net profit of the LUKoil oil company in 1995 amounted to 2.404 trillion rubles ($528 million), which is 252 percent higher than the figure for 1994. In one year oil production at LUKoil enterprises rose by 27 percent — from 45.1 to 57.3 million tonnes — which accounts for 20 percent of the total oil production in Russia. Such spectacular growth across most of the parameters of LUKoil's performance is due largely to the fact that in 1995 several new oil-producing enterprises joined the company, as well as to the first results of a systemic rationalization of management and production that was oriented toward the consolidation of the company. The year 1995 was the last year where the balance sheets of the oil company and of its main affiliated companies were separated. It is expected that the final legalization for the joining of the affiliated companies to the holding, and of their transformation into company branch offices, will take place at the annual meeting of LUKoil shareholders, due to be held 5 June.

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International Affairs

Ukraine: Chernomyrdin Arrives in Kiev to Promote Yeltsin Visit

LD2305085196 Moscow ITAR-TASS in English 0817 GMT 23 May 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV May 23 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin arrived on a one-day working visit in Ukraine on Thursday to try and promote the visit of President Boris Yeltsin which has been several times postponed because of the unresolved Black Sea fleet dispute.

Chernomyrdin is to meet President Leonid Kuchma and Premier Yevheniy Marchuk and is to sign a number of bilateral agreements, sources in the Ukrainian government told Tass, but did not elaborate.

Informed sources in Kiev told Tass that the agreement about the visit was reached on Tuesday in a telephone talk between Chernomyrdin and Kuchma.

Kuchma even changed his schedule of trips across the country to meet the Russian premier.

On Wednesday, the Ukrainian president said that Chernomyrdin was coming to Kiev "on the eve of the possible visit of Boris Yeltsin to Ukraine and we have to discuss those problems which exist".

Russia and Ukraine are deadlocked over where their navies should be based after the division of the former Soviet Black Sea fleet between the two countries. Russia wants to remain in Sevastopol and move the Ukrainian Navy to another base, while Kiev wants to share the Sevastopol base in the Crimea, which Russia says is unacceptable.

Kuchma admitted that the problem of Sevastopol is the major stumbling block on the way to the friendship and cooperation treaty which is to be signed during expected Yeltsin's visit.

"So our meeting with Viktor Chernomyrdin is an attempt to reach understanding in a normal and civilised way", he said.

Ukraine: Kuchma Notes Enjoying Talks With Chernomyrdin

LD2205133796 Moscow ITAR-TASS in English 1303 GMT 22 May 96

[By Anatoly Gordeyev]

[FBIS Transcribed Text] DONETSK, May 22 (Itar-Tass) — Ukrainian President Leonid Kuchma said he likes to talk to Russian Prime Minister Viktor Chernomyrdin "about life," adding that "we get along very well."

Meeting journalists in Donetsk on Wednesday, Kuchma hinted this may help them "reach understanding in a normal and civilised way" ahead of a possible visit to Kiev by Russian President Boris Yeltsin and "discuss problems that exist today."

The schedule of Kuchma's tour of the country was changed on Tuesday to allow the president to arrive in Donetsk to meet about 1,000 coal miners from seven mines who have staged a wildcat strike.

However the president could not tell the coal miners when the government will pay them its debt. "The money in this country is handled by the Finance Ministry, not me," he added.

The change in the schedule made the president cancel his planned trip to the Nikolayev region and go straight to Ternopol from where he will return to Kiev.

Ukraine: Kuchma Confident Kiev, Moscow Will Resolve Black Sea Fleet

LD2205221796 Moscow Interfax in English 1813 GMT 22 May 96

[FBIS Transcribed Text] TERNOPOL, May 22 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma has expressed confidence that Kiev and Moscow will resolve the Black Sea Fleet issue and sign a treaty on friendship and cooperation.

Visiting the city of Ternopol Wednesday, Kuchma told Interfax-Ukraine that Ukraine and Russia will seek a compromise. According to him, the sides "have already agreed on the most important issue, that the principal base of the Russian Black Sea Fleet is in Sevastopol."

The fleet issue is expected to be discussed during the May 23 visit to Kiev by Russian Prime Minister Viktor Chernomyrdin.

Kuchma also said that during the latest talks with Ukraine Russia did not directly condition compensation for the withdrawn tactical nuclear weapons on Black Sea Fleet settlement.

A treaty on compensation for the tactical nuclear weapons will be signed and the sum will be used to cover part of Ukraine's debt to Russia, said Kuchma. According to him, compensation will total about $450 million.

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Ukraine: Defense Minister Begins Visit to Former Yugoslavia

LD2205200896 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 22 May 96

[FBIS Translated Text] Ukraine's Defense Minister Valeriy Shmarov began a working trip to former Yugoslavia on 22 May. He will familiarize himself with the situation there, hold a number of meetings with the republics' leaders, and visit Ukrainian subunits that are stationed on the territory of ex-Yugoslavia, in line with the decision by the Supreme Council of Ukraine.

In Croatia, Shmarov will hold talks with the prime minister and national Army leaders.

In eastern Slavonia, where two helicopter squadrons and a tank platoon of the Ukrainian Armed Forces are stationed, he will have a conversation with the head of the UN mission and the blue helmets command.

In Bosnia-Herzegovina the minister will meet leaders of that country and the command of the multinational forces for the implementation of the Dayton peace accords. Besides, Shmarov will familiarize himself with the life and activities of the personnel of the 240th Ukrainian Special Battalion.

Ukraine: Official's Overview of Trade, Cooperation With Iran

WS2305083296 Kiev UKRINFORM in English 0646 GMT 23 May 96

[From the "Current Events" feature]

[FBIS Transcribed Text] Both Ukraine and Iran are nations traversed by major and shortest trade routes linking Europe to Asia. This geopolitical semblance and its highly lucrative nature has been confirmed by now by a series of intergovernmental agreements between Kiev and Tehran, in particular those providing for the two nations' cooperation in aerial, marine, rail transportation and trucking. Regrettably enough, a large portion of these has remained just paperwork with no visible signs of being implemented by the parties in dead earnest. The underlying reasons were subjected to a scrutiny on May 21, the second day of work for the mixed Ukrainian-Iranian Intergovernmental Committee for Economic and Trade Cooperation, which met in the Iranian capital, the Cabinet press service tipped off to UKRINFORM's Kiev correspondent.

Speaking at the Tehran session, Ukrainian vice-premier Anatoliy Kinakh, the Committee's co-chairperson, said that Ukraine could have greatly improve its economic condition, if it had implemented its trade and economic agreements with Iran in full. The vice-premier blamed faulty and imperfect mechanisms for implementing the agreements and the involved government officers' inadequate professional skills for the deplorable situation, adding that the Teheran session focused on precisely how to eliminate artificial legal barriers impeding Ukrainian-Iranian trade and economic relations.

As Mr. Kinakh said, the session's objective was to work out steps toward making legal environments in both Ukraine and Iran more conductive for stable and active cooperation with all proprietorial forms involved in the process.

The Tehran session was reported to have formed ad hoc expert groups to clear these predominantly bureaucratic obstacles. When the job is completed, Ukraine will most likely benefit from having a hand in the Isfahan metallurgical works' upgrading project along with projects meant for improving Iranian fuel-fired power plants. Other strengths Ukraine will likely rely on in its relations with Iran were stated as supplies of Ukrainian transformers, turbines, welding equipment to Tehran.

A tentative agreement has been reached between the two governments on selling some AN-140s and AN-74s to Iran. The two nations' high-tech sectors allow them to negotiate joint ventures for satellite manufacturing and launching. Iran is reportedly contemplating to lease 300 Ukrainian diesel locomotives following which it will be able to assemble diesel locomotives from parts supplied by Ukraine before eventually embarking on domestic manufacture of these.

In view of the two nations experiencing chronic shortages of circulating assets, barter deals appear the mode of choice in foreign trade operations between Ukraine and Iran. Turkmenistan is reported to act as a go-between in a major deal, which involves purchase of several hundred tons of Ukrainian rails and railroad stationary equipment by Iran with the three parties expected to shortly meet for negotiations in Kiev.

Mr. Kinakh Iran's economics and finance minister Mohammad-Khan signed an intergovernmental agreement on reciprocal investment protection and a convention on avoidance of double taxation.

National Affairs

Ukraine: Kuchma Says Not To Fear Referendum on Constitution

LD2305091596 Moscow INTERFAX in English 0723 GMT 23 May 96

[FBIS Transcribed Text] TERNOPOL, May 23 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma has said that a referendum on the new constitution is nothing to fear.

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"There is no sense in counting money in this sphere," he said addressing a conference of leaders of local power bodies and enterprises of the Ternopol region in the evening of May 22. The referendum is necessary in order that "every future parliament will not try to adopt a new constitution for itself," he said.

Kuchma said he has not only made a compromise with deputies on key issues of the new constitution but agreed "to preserve those issues with which he disagreed." Among them is the two-chamber parliament, which "gives up for lost the principle of 'All Power to Councils!'"

The adoption of a new constitution by a referendum, best held in September, would help attract investments in Ukraine, Kuchma said. "Until an investor is sure of political stability in the country, he will not come here," he said.

Ukraine: Marchuk Opposes Referendum on New Constitution

LD2205120296 Kiev UNIAN in Ukrainian 0800 GMT 22 May 96

[FBIS Translated Text] Rovno Region — Maximum effort should be made to get the constitution adopted in parliament, Ukrainian Prime Minister Yevheniy Marchuk said on 22 May upon arrival in Rovno Region. According to the prime minister, a referendum is a "contingency measure" to be resorted to "if the parliament fails to approve the constitution."

A referendum, in Marchuk's view, would "throw society into excessive political strife," destabilize the overall political situation, and "upset the balance" in the country. In practical terms, it would set the budget back 20,000 billion karbovantsi, the prime minister warned. He expressed hope that Ukraine would have a constitution by the fifth anniversary of its independence [1 December 1996].

Today, Marchuk will visit the region's agricultural businesses and attend Shevchenko celebrations [held to mark the anniversary of poet Taras Shevchenko's reburial in Ukraine]. He may cut his tour short to meet Russian Prime Minister Viktor Chernomyrdin who arrives in Ukraine on 23 May.

Ukraine: Plans for Referendum on Constitution Viewed

WS2305074796 Kiev INTELNEWS in English 0134 GMT 23 May 96

[Report by Halya Pavlyva and Oksana Hasiyuk]

[FBIS Transcribed Text] Kiev, May 22 — As Ukrainian parliamentary leaders decided to begin preliminary discussion of a new draft constitution on Thursday, the country's presidential administration vowed Wednesday to press ahead with plans for a nationwide referendum to settle the constitutional question this September.

Citing a poll which he said showed that 67 percent of the Ukrainian people would vote in favor of the new constitution proposed to take the place of the one inherited from the Soviet era, Volodymyr Lytvyn, deputy Kuchma administration chief, said that further delay in its ratification was no longer an option.

"September is the most optimal option, because it is not possible to delay any longer," he said.

"The essence of the constitutional problem is who will be the boss in the country," Lytvyn said, citing the necessity for Ukraine to settle the issue in order to proceed with large-scale privatization.

According to Lytvyn, "last joint meeting, held by President Leonid Kuchma and the parliamentary conciliatory committee, showed that even though the passage by Parliament of the agreed constitutional draft is wished, it is impossible," Lytvyn said.

While the president is far from satisfied with the draft, he said, "the period of uncertainty cannot last any longer."

Meanwhile, as Parliament's Presidium decided on Wednesday to hold the first reading of the draft at Thursday's general legislative session, the Rada's leftists may be proving the Kuchma administration correct in its prognosis regarding prospects for parliamentary ratification, which requires a more than two-thirds majority vote.

According to Presidium sources, the Communists — Parliament's largest faction — are considering a boycott of Thursday's session in order to block first reading approval of the document, which requires only a simple majority.

According to Deputy Prime Minister Ivan Yemets, a member of Parliament, "it will be enough, if Parliament agrees on adoption of the Constitution in the first reading, to submit it for a nationwide referendum

"It will (make) much easier our work" if the left refuses to vote, he said refuse to vote on the issue, according to Yemets.

The document under consideration is essentially the same one the Rada received from the presidentially dominated Constitutional Committee in March — the most prominent revision being the Parliament committee's rejection of Kuchma's plan for a bicameral legislature.

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Ukraine: Government To Use IMF Allocation To Pay Wage Arrears

LD2205123196 Moscow ITAR-TASS in English 1103 GMT 22 May 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV May 22 (Itar-Tass) — The Ukrainian government is going to allocate part of the currency from another tranche of the International Monetary Fund amounting to 900 million dollars to repay wages arrears.

The Ukrainian parliament session on Thursday is to decide to pay back wages to the population, Itar-Tass learned from the Ukrainian parliament on Wednesday. Most probably the Supreme Soviet will permit using international financial aid for the purpose, although the credits were taken to deal with economic problems.

In addition, the parliament has already drafted a decree of no confidence for deputy premiers Roman Shpek and Viktor Pinzenik, the chief strategists of Ukraine's economic policy, as well as Finance Minister Petr Germanchek. Representatives of the group of communists told Itar-Tass that they are going to vote for the dismissal of the entire cabinet led by Prime Minister Yevheniy Marchuk.

The Ukrainian state's debts to the population now amount to 177,000 trillion karbovanets. 49,000 trillion karbovanets out of this sum is owed to workers in the budget-financed areas. The debt to the pension fund amounts to nearly 50,000 trillion karbovanets.

Ukraine: Kuchma's Meeting With Donetsk Miners Ends With 'No Result'

LD2205201596 Moscow INTERFAX in English 1509 GMT 22 May 96

[FBIS Transcribed Text] Donetsk, May 22 (Interfax - Ukraine) — President Leonid Kuchma's meeting with the delegation of the Donetsk strike committee in the evening on Tuesday ended with no result.

Leonid Kuchma, who arrived in Donetsk, was met by around one thousand of miners, who came together in the central square outside the building of the regional administration.

Representatives of miners were invited to attend President Kuchma's meeting with top executives of enterprises at the regional administration.

Mykhaylo Krylov, one of the leaders of the strike committee, said that miners were concerned over two issues — the repayment of delayed wages and financing of the programme for the closure of coal mines.

The President said that he agreed with miners that it was necessary to outline a clear-cut programme for the closure of coal-mines and to find out its funding sources. At the same time he noted that all the decisions on the repayment of delayed wages were passed by the Cabinet.

The President was informed by miners that the Cabinet had failed abide by the provision of his decree on drawing up the time-table for the repayment of delayed wages before May 19. M. Krylov said that he would like to get an answer from the President — when and how delayed wages would be repaid.

After the President refused to give such an answer, the delegation walked out the hall and joined the miners in the square.

Ukraine: Communists Demand Air Time From TV, Radio Committee

LD2205220596 Kiev UNIAN in Ukrainian 1630 GMT 22 May 96

[FBIS Translated Text] Kiev — About 50 representatives of the Union of Communists of Ukraine picketed the building of the Ukrainian State Committee for Television and Radio on 22 May. The unsanctioned picket was staged under a red banner and a streamer with the words "Live Air Time and Microphone — To Left-Wingers." Oleh Raketin, co-chairman of the Union of Communists of Ukraine, told UNIAN that the aim of the action was to voice protest against the "anti-popular and immoral television that does not reflect the real life of the working people." He said left-wingers were striving to obtain air time in order "to tell people about the illegal collapse of the USSR and the truth about the Belovezhskaya Pushcha agreements."

Raketin also said that the air time would allow communists to expose "the bourgeois essence of the new Constitution" and the illegal nature of the attempts to impose the constitutional process on Ukraine's population which, Raketin said, "is still part of the Soviet Union."

Ukraine: Kiev Seen Bracing for Possible Use of Force in Crimea

MK2205135896 Moscow KOMMERSANT-DAILY in Russian 22 May 96 p 4

[Report by Leonid Terentyev under the "Situation in Crimea" rubric: "Ukraine Bracing for Attempts To Resolve the Crimean Problem by Force"]

[FBIS Translated Excerpt] More than 15,000 people gathered for a rally in Simferopol in memory of the Crimean Tatars who were killed during Stalin's

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reprisals. It seems symptomatic that the mournful ceremony was attended by Dmitriy Stepanyuk, representative of the Ukrainian president in Crimea; Stanislav Ivakhnenko, chief of the Ukrainian security service in Crimea; Mikhail Korniyenko, chief of the Ukrainian Internal Affairs Ministry's Main Directorate in Crimea; and high-ranking Ukrainian servicemen from the National Guard and Army Corps. It is quite possible that, on the eve of the election in Russia, Ukrainian leaders are bracing for attempts to resolve the Crimean problem by force. [passage omitted]

It is feared in Crimea that owing to Ukraine's economic hardships the aid program for the Crimean Tatars may be scaled down. It cannot be ruled out that Kiev might also try to direct the Tatars' disgruntlement against a Russian population in Crimea that was critical of the creation of a Crimean Tatar ethnic republic and a parallel authority, the Majlis.

Another worrying fact is that the Ukrainian National Guard is increasing its strength in Crimea. According to reports from informed sources, in the near future it will be reinforced by the Marine Brigade deployed in Feodosiya and the Detached Mechanized Battalion from Perevalnoye. Yevgeniy Suprunyuk, chairman of the Crimean Supreme Council, remarked in his recent speech at the parliament session that native local officials are being replaced by those arriving from elsewhere. During this year alone, 18 people — primarily bureaucrats from Donetsk and Dnepropetrovsk — have been appointed to high posts, including those of Crimean prosecutor, chief of the Ukrainian Internal Affairs Ministry's Main Directorate in Crimea, his deputy, and the chief of the Crimean Customs Service. In the view of local experts, all the signs point to the fact that the Ukrainian leadership is gearing up for the possible use of force should the political situation in Crimea deteriorate. Kiev does not rule out that, in the event that Gennadiy Zyuganov is elected Russian president, pro-Russian organizations may step up their activity and demand Crimea's reunification with Russia.

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Belarus

Belarus: Lukashenka Refusal To Receive IMF Mission Described

WS2305112696 Minsk SVABODA in Russian 21 May 96 p 3

[Report by Ales Sadowski: "The House of a Kolkhoz Worker Distinguishes Itself With Boorish Behavior"]

[FBIS Translated Excerpt] **The month of May has proven to be fruitful not only in visits by numerous representatives of international financial organizations, but also in scandals connected with them.**

From 1-10 May, an IMF mission stayed in Minsk to draft the traditional annual report. During negotiations with the government, also discussed were issues concerning loans for Belarus. Judging by all the signs, however, the IMF demands seemed to be unacceptable to our country's leadership. According to certain reports, the IMF's primary grievances traditionally concerned policy toward the hard currency exchange rate and privatization. Additionally, a new problem arose, on which the IMF focused intense attention — the possible nationalization of banks.

Although President Lukashenka initially wanted to meet with the IMF representatives, what waited for Isham Kapur, head of the IMF mission who agreed to meet with Mr. Lukashenka, and arrived in the Presidential Administration on time, was a surprise. The IMF delegation was not allowed to pass a police checkpoint, and were told that they were not on the approved list.. Their 40-minute wait ended when a presidential official came downstairs and said that the president's schedule had changed.

Following this reception, during unofficial meetings, the IMF experts let everyone know that the issue of granting Belarus the previously frozen stand-by loan had been removed from the agenda and it would not be discussed in the future. [passage omitted]

Belarus: Report of Lukashenka Not Supporting Yeltsin Campaign Denied

LD2205183296 Moscow INTERFAX in English 1629 GMT 22 May 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Vladimir Zametalin, the Belarusian president's deputy chief of staff, dismissed the reports in certain Russian media that Alyaksandr Lukashenka is the sole CIS head of state who failed to endorse Boris Yeltsin's electoral campaign at the last CIS summit in Moscow.

Asked by Interfax to comment on this allegation made by the Izvestiya newspaper, he said that this is untrue, to say the least.

"There are different kinds of support, verbal and by action. What Lukashenka is doing for the unity and integration of the Belarusian and Russian peoples is worth more than any statement," Zametalin said.

"Political scientists who understand support as a Politburo meeting with unanimous voting are living in the past," he said.

Zametalin said it was improper on the part of the newspaper that Lukashenka did not name the man whom he wants to be the Russian president.

Asked by Interfax why Yeltsin criticized the action taken by Belarusian authorities against marchers protesting in Minsk on April 26 on the 10th anniversary of the Chernobyl nuclear accident, Zametalin suggested that Boris Yeltsin did not have full information on the events.

"If he had known the truth, he would have said something different," he believed.

Belarus: Official Comments on Yeltsin Criticism, Russian Polls

LD2205145296 Moscow INTERFAX in English 1406 GMT 22 May 96

[FBIS Transcribed Text] Minsk, 22 May (Interfax-West) — The Russian president's criticism of the action taken by Belarusian authorities against marchers protesting in Minsk on 26 April on the 10th anniversary of the Chernobyl nuclear accident is attributable to the fact that Boris Yeltsin did not have full information on the events, Vladimir Zametalin, the Belarusian president's deputy chief of staff, told Interfax Wednesday.

"If he had known the truth, he would have said something different," Zametalin said. Zametalin said Russian media reports to the effect that Belarusian President Alyaksandr Lukashenka is the sole CIS head of state who does not support Yeltsin's presidential campaign "are untrue, to say the least."

"There are different kinds of support, verbal and by action. What Lukashenka is doing for the unity and integration of the Belarusian and Russian peoples is worth more than any statement," Zametalin said.

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Belarus: Belarusian BNF Leader Paznyak Interviewed

WS2205071396 Warsaw ZYCIE WARSZAWY in Polish 18-19 May 96 pp 1, 2

[Interview with Belarusian Popular Front leader Zyanon Paznyak, by Roman Strzemiecki; place and date not given: "The Return of the Regime"]

[FBIS Translated Text] [Strzemiecki] Is the sovereignty of Belarus threatened?

[Paznyak] Yes, it is. It is threatened by Moscow and Moscow's creature, by which I mean President Lukashenka.

[Strzemiecki] However, President Lukashenka was elected by the Belarusians in general elections.

[Paznyak] There are certain rules which determine the emergence of a dictatorship. This is how Hitler came to power. The same goes for Yeltsin.

[Strzemiecki] Would President Lukashenka be reelected now?

[Paznyak] He would if he organized them, but he would certainly not win a democratic election, because today he is supported by a mere 20 percent of the Belarusian people. The pro-Soviet electorate expected Lukashenka to imprison all of his opponents, as well as to seize their property and give it to his supporters, who would lead comfortable lives just as they did in the Soviet Union. It was a success of a populist policy. Now Lukashenka's voters can see for themselves that things are worse now than they were before. However, what they are waiting for is not democracy, but yet another populist.

[Strzemiecki] How would you define today's political system in Belarus?

[Paznyak] We can see the emergence of a political system which is similar to the South American dictatorships. There is no self- governing. The parliament is in fact not functioning at all. Here is what is functioning: the presidential group, the president's personal protection unit, as well as the executive structures and media which are all subordinated to him. The Soviet mentality of the regime compels him to believe that all those who express criticism are his enemies. Severe repression is being imposed on people who have different views.

[Strzemiecki] Why is the Belarusian parliament in fact not functioning?

[Paznyak] It is not functioning because the majority is made up of communists, who look upon Lukashenka's regime as their own regime, and because the opposition does not have its representatives there. There are approximately 15 democrats, but they failed even to object to the recent plot made between Lukashenka and Moscow, to violations of human rights and the Constitution.

[Strzemiecki] What can you say about support for the opposition, for the Popular Front [BNF], among the Belarusians?

[Paznyak] We can feel that it is growing, particularly among young people. It is dangerous to back the BNF. Those who do risk being persecuted. However, people are convinced, they endorse the BNF.

[Strzemiecki] What can you say about the national identity of the Belarusians? Its development was halted under Lukashenka's rule.

[Paznyak] The sense of national identity is developing. Paradoxically, Lukashenka's regime is conducive to this. The same goes for the policy pursued by Russia, which is waging wars and violating the rights of other nations. The average Belarusian knows that he is a Belarusian and that he lives in an independent state. However, there are older people as well; their mentality is the mentality of a Soviet man. They made the success of the communists possible. Nonetheless, even these people want Belarus to maintain the status of an independent state.

[Strzemiecki] Do democratic forces in Russia support Belarusian democratic forces?

[Paznyak] There are no democratic forces in Russia. There are only several people who are defending democracy. The forces which presented themselves as democratic two or three years ago are now endorsing an imperial policy; they never backed the Belarusian democracy, did not oppose violation of human rights or protest when our parliamentary deputies were beaten up.

[Strzemiecki] What about the expulsion of [Polish Solidarity leader] Marian Krzaklewski? Was it to be expected?

[Paznyak] Yes, it was, and I was not surprised at all. This is the nature of the regime. When a person from Poland visits Belarus and meets an activist of a trade union which the president does not like, this person is an enemy. This is a primitive mentality, the actions are equally primitive. It is a good thing that Mr. Krzaklewski did not get hit on the head with a nightstick.

[Strzemiecki] What assistance is the BNF expecting from Poland?

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[Paznyak] It is expecting primarily moral and political support for the Belarusian democracy. One must not stand on the sidelines. Cooperation between Lukashenka and Russia poses a threat to both Ukraine and Poland; it poses a military threat as well.

[Strzemiecki] What goals does the BNF want to achieve at the present stage?

[Paznyak] The primary goal is to overthrow this regime, which is the biggest threat to the rights of the people, to human rights, and to independence. The regime may be overthrown only as a result of mass demonstrations of the Belarusian people. The only force which is able to guide the people is the BNF. Another possibility, which is not very likely, is that Lukashenka will be dismissed by Russia because he is interfering with its policies.

[Strzemiecki] What kind of a state is the BNF after?

[Paznyak] It wants a state that would observe human rights, that would carry out economic reform based on private property, that would strive to integrate with Europe and NATO. So far the BNF has been talking about a country with neutral status, because it wants Russia to let the Belarusian state stand on its own feet. However, due to the fact that by signing the Lukashenka-Yeltsin plot Russia entered the annexation stage, now we say openly that we want our country to join NATO.

[Strzemiecki] Do you not fear for your own safety?

[Paznyak] The strength and the evil of the regime are so great that one can expect anything. However, in real life the weak are the winners. The good is not equipped with missiles and tanks; the good is an autonomous force which combats the bad.

Belarus: KGB Chief Cited on Economic Situation, Crime

WS2205145996 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 16 May 96 p 3

[Report by Syarhey Aniska: "KGB's Economic Forecast"]

[FBIS Translated Text] On the eve of celebrating Victory Day, a festive meeting was held in the Dzerzhinskiy Club to which the leading personnel of the KGB [Belarusian State Security Service], World War II KGB veterans, and officers in the reserves were invited. As in similar events, KGB Committee Chairman Uladzimir Matskevich, who several days earlier had been appointed to this post by the Supreme Soviet, delivered a speech.

Surprisingly for many people, the KGB chairman did not limit his speech to the common greetings for veterans and a little trip into history about the participation of counterintelligence agents in the war with the Nazi brown plague of the 20th century. A considerable part of the speech assessed the current socioeconomic situation in Belarus and the problems with which the successors of "Iron Feliks" [KGB founder Feliks Dzerzhinskiy] are currently faced. The speech was received with a great interest, given that certain conclusions, assessments, and figures characterizing the condition of the Belarusian economy had not been known to the wide circles of the population earlier.

Uladzimir Matskevich said that recently we have observed a clear tendency of industrial enterprises' bankruptcy. He pointed out that "in the immediate future, Belarus may lose markets for its commodities, and not only foreign markets, but also domestic ones." In light of this, a reduction of 137,000 jobs is envisaged by the end of 1996.

The Belarusian debt to Russia for energy resources and oil products for a relatively short period of time — after the mutual abolition of debts — amounts to $80 million.

According to Mr. Matskevich, Belarus badly needs foreign investments.

Mr. Matskevich's attempt to explain the roots of the agricultural sector's problems was somewhat incompetent, which evoked appropriate reaction on the part of the participants in the meeting. It seems that even KGB officers, who far from know the agricultural sector's problems, do not believe that all the troubles of the Belarusian countryside are caused by "farm managers."

Mr. Matskevich also ascertained that the banking sphere was also going through hard times.

Uladzimir Matskevich more specifically spoke about the issues of the observance of the law and Belarus' legislation. According to him, a clear tendency to legal nihilism and criminalization of the youth is being observed.

Many negative phenomena are being revealed during the process of privatization. They mostly involve deliberate underestimation of the value of state properties which are submitted for privatization.

Statistical data was provided from the rostrum which indicated that every sixth citizen of Belarus against whom legal proceedings for economic crimes were instituted is a state official. It seems that we are returning to the period of "developed socialism," when the principle "everything belongs to the nation; everything belongs to me" was successfully implemented.

Gray-haired veterans were interested in the answer to one question: what measures will the committee

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undertake to curb crime and stabilize the political situation in the country? The KGB chairman did not say anything new.

He reproached the Supreme Soviet, which allocated less than 300 billion rubles [R] for the current fiscal year, as compared to the required R489 billion. The KGB chairman also mentioned personnel problems. The figure indicating a 50-percent shortage of operational officers is really striking. According to Mr. Matskevich, the numerical reduction of the KGB "will lead to the situation in which in two to three years there will be no middle-ranking employees in the bodies of the State Security Service." It was a reference to those who due to financial-living conditions were forced to leave the KGB after reaching the age of 30-35.

According to certain well-informed sources from the KGB structures, this kind of daring speech delivered by the special service chief may bring the president's anger upon him. The point is that although Alyaksandr Lukashenka does not conceal the complicated economic situation in the country, he always provides optimistic forecasts regarding its development in the immediate future. Besides, the head of state has often accused "foreign enemies" and the domestic opposition of all imaginable sins, including accusations of intrigues which led to the collapse of certain reforms.

Referring to the recent events which occurred in the capital, Uladzimir Matskevich limited his stance to several general phrases, saying only that "as for Zyanon Paznyak, legal action against him has been instituted and an investigation has been held."

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Kazakhstan

Kazakhstan: Nazarbayev Meets CIS, Turkish Trade Union Leaders

LD2105200196 Moscow INTERFAX in English 1727 GMT 21 May 96

[From the "Presidential Bulletin" feature No. 96(1089) compiled by reporters Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, Boris Yunanov]

[FBIS Transcribed Text] Kazakh President Nursultan Nazarbayev met with trade union leaders from Russia, Belarus, Kyrgyzstan, Kazakhstan, Azerbaijan, Turkey, and Central Asia Tuesday in Almaty.

The union leaders approved an address to the presidents of Kazakhstan, Russia, Kyrgyzstan, and Belarus supporting their agreement for further integration and calling for an intergovernmental social commission.

Nazarbayev was supportive of the idea, Chairman of the Federation of Kazakh Trade Unions Siyazbek Mukashev told journalists. Nazarbayev will propose this at the next meeting of the four-country intergovernmental council, Mukashev said.

Such a commission could be formed with government, trade union, and business representatives, as well as representatives from the Integration Committee and the Trade Union Confederation, Chairman of the Independent Russian Trade Unions Federation Mikhail Shmakov said.

The main focus of this organization is to become the synchronization of social policies, the creation of a single regulatory basis for social legislation, and the coordination of work in the International Labor Organization.

The union leaders are taking part in an international congress for furthering cooperation between professional unions in Almaty.

Kazakhstan: Four CIS States TU Leaders Support Further Integration

LD2205124396 Moscow ITAR-TASS in English 1120 GMT 22 May 96

[FBIS Transcribed Text] ALMATY, May 22 (Itar-Tass) — Leaders of Belarus, Kazakhstan, Kyrghyzstan and Russia have declared their support to efforts being made by their respective heads of state to intensify the cause of integration, a concluding document issued at the end of the international meeting between them said. [sentence as received]

"Trade Unions are in favour of deepening inter-state integration, social progress and solidarity", the document of the meeting held in Kazakhstan's capital, said. The main aim of the meeting was to work out a common stand on the Agreement on the Community, signed by heads of state of the four nations in Moscow in March.

Concluding documents of the international forum was an appeal addressed to presidents of the four nations, which expressed support to efforts made by the head of states in intensifying integration, as well as a joint communique, reflecting priorities on the road to develop the trade union movement.

Chairman of the Council of the Trade Union Federation of Kazakhstan S. Mukashev and chairman of the Federation of Independent Trade Unions of Russia M. Shmakov signed an agreement on cooperation between trade unions of the two countries. Participants in the forum expressed the need to conclude a four-sided cooperation treaty in the near future.

Kazakhstan: 'Intensified Supervision' of Foreign Loans Ordered

LD2205185096 Almaty PANORAMA in Russian 17 May 96 p 1

[Unattributed report: "The Prime Minister Has Again Ordered Intensified Supervision of the Use of Foreign Loans"]

[FBIS Translated Text] The prime minister of the Republic of Kazakhstan has signed an order, under which the drafting of programs and projects that are planned to be financed or co-financed within the framework of official development assistance for Kazakhstan and supervision of their implementation are to be carried out by the committee for use of foreign capital under the Ministry of Finance. The Ministry of Finance is currently preparing forms of documentation.

When funds are withdrawn from the above-indicated loans, the payment documents are to be signed by the committee for use of foreign capital. The Ministry of Finance is to approve the new signatures, the samples of which will be sent to the relevant international financial and economic organizations and donor countries. In June the Ministry of Finance will submit for the government's consideration a draft decision that will define the committee's activities, powers, and responsibilities.

Tajikistan

Tajikistan: Kozyrev Replaced as Representative for Tajikistan

LD2205163596 Moscow ITAR-TASS World Service in Russian 1547 GMT 22 May 96

[FBIS Translated Text] Moscow, 22 May — Russian President Boris Yeltsin signed an edict today releasing

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Andrey Kozyrev from the post of special representative of the Russian Federation president for Tajikistan, the head of the press service reported.

The president also instructed that Yevgeniy Mikhaylov should be appointed the authorized representative of the Russian Federation president for Tajikistan, to ensure that the effort to promote a settlement in the Republic of Tajikistan will be coordinated. The instruction came into force as of the day it was signed.

Tajikistan: Tajik Army Lacks Training, Weapons To Combat Insurgents

LD2205222396 Moscow Russian Television Network in Russian 1600 GMT 22 May 96

[From the "Vesti" newscast]

[FBIS Translated Text] For the fifth day now our special correspondent Roman Babayan and Boris Agapov are reporting from various locations in Tajikistan. The material for their latest report has been collected near the village of Tavil Dara. It is the purely military aspect that they are concentrating on now: how and with what weapons are the opposing sides fighting in Tajikistan, what can they count on?

[Babayan] For several years now tension in Tajikistan rises sharply with the coming of the warm season. As a rule, it is the area around the village of Tavil Dara in the Pamir foothills that becomes the scene of the fighting between government troops and detachments of opposition fighters. There are several reasons for this. People in the area are opposition sympathizers, and the uneven mountainous terrain allows fighters from the Islamic [Rebirth] Party of Tajikistan to cross the border relatively quickly and without difficulties. Despite the systematic and straightforward pattern of the fighters' actions, the Tajik army has repeatedly proved insufficiently prepared for military operations. During hostilities, units on the establishment of the republic's armed forces are usually deployed at the village of Khovaling. To an outsider, Tajik soldiers look more like fighters from the so-called disciplinary battalions, the only difference probably being that they do not have to obtain their individual weapons only in battle.

Quite often, soldiers going into battle have had no training except for an uncompleted course for young soldiers. Therefore in critical moments the leadership of the republic's Defense Ministry usually calls up the reserve or the so-called men of the people, that is members of the People's Front of Tajikistan, who gained their combat experience at the very start of the Tajik conflict.

Things are no better as far as officers are concerned. Ninety per cent of the Tajik army's officers are the incubator kids — those who received their officer grades upon completion of a 3-month course, without even the benefit of elementary training at [civilian] higher education establishment's military departments. This, however, in no way hampers their rise from privates of the reserve to majors in just a few months of service.

As for hardware used by the republic's armed forces, the Tajik air force's entire air fleet numbers about 15 combat helicopters, most of them long past their maximum engine mileage. Moreover, there is a constant shortage of ammunition, weapons, special equipment, spares and tools.

It is this army that for several years now has been involved in a confrontation with Tajik opposition detachments, which include mercenaries from Iran, Afghanistan, Pakistan, and a number of Arab countries in their ranks. Well-trained and well-armed detachments lack nothing in terms of funding. According to General Shcherbatov, chief of the General Staff of Tajikistan's Armed Forces, they even have their own air fleet comprising four Mi-8 and Mi-6 helicopters and MiG-21 aircraft, bought for cash from Ukraine a few months ago.

Bearing all this in mind, one is hardly surprised to learn that by now the opposition fighters have occupied Tavil Dara, just 150 km from Dushanbe.

At present, Tajik [opposition] fighters are holding about 30 federal army soldiers as prisoners. Incidentally, opposition leaders have said they are prepared to hand all the servicemen held as prisoners to their parents on 28 May. The official Dushanbe, however, has not yet confirmed the reliability of this information.

Roman Babayan and Boris Agapov, "Vesti" special correspondents, reporting from Tajikistan, from the main base of the federal troops in Khovaling.

Tajikistan: Government Troops Rebuff Opposition Attacks

LD2305104096 Moscow INTERFAX in English 0915 GMT 23 May 96

[FBIS Transcribed Text] DUSHANBE, May 23 (Interfax) — Tajik government troops rebuffed opposition attacks and drove opposition forces two to three kilometers away from the village of Sagirdasht, which lies 12 kilometers northeast of the town of Tavil Dara or some 200 kilometers east of Dushanbe.

According to a Dushanbe-based army source, sporadic fire engagements were reported Wednesday near the vil-

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lage of Labidzhar, 8 kilometers north of Komsomolabad in the Garm area of central Tajikistan.

"Opposition forces never took control of Komsomolabad because government troop positions are well fortified here and suited for sustained defensive action," the Tajik army source said.

"Shootouts that inflict no serious damage on the warring forces" and no serious engagements were reported in the past seven days in Tavil Dara. According to preliminary reports, 18 government troops have been killed since May 16 in the Garm area and seven government troops since May 6 in Tavil Dara. In addition, eight men were lost in action in Tavil Dara, and the number of wounded remains to be ascertained.

The opposition forces lost 15 men in the Garm area. Two of these appeared to be "foreign mercenaries," the same source said. Opposition buildup in the Garm area is put at 800 men, or twice as many as early this month. Which means, the Tajik army source said, that opposition reinforcements have arrived in the Garm area from Afghanistan and the foothills of the Pamirs mountains. The government troops are regrouping and intend to restrict their moves to defensive operations.

Tajikistan: IMF 'Standby' Credit To Support Economic Reforms

LD2105172796 Dushanbe KHOVAR in Russian 1140 GMT 20 May 96

[Unattributed report: "Tajikistan-IMF: The Path of Economic Reforms"]

[FBIS Translated Text] On 8 May the International Monetary Fund [IMF] approved a standby credit of about $22 million to support the government's economic reform program up to the end of 1996, as part of the first portion of credit for the Republic of Tajikistan approximately for the sum of $22 million. This is the first time that Tajikistan, which joined the fund on 27 April 1993 and has a quota of approximately $37 million, has made use of the IMF's financial resources.

The aforementioned program was drawn up by the authorities in January 1996 to lay the basis for stable economic growth in the medium term, and it is intended to remove macroeconomic imbalances relatively quickly. At the same time, its aim is to ensure considerable progress in structural reforms.

The program enjoys the support of the standby credit and is aimed at:

1. lowering the monthly inflation rate to approximately 4 per cent by September;

2. advancing toward an acceptable balance of payments, including an increase in convertible currency reserves;

3. slowing the decline in output and real incomes.

In order to achieve these targets, the government is pursuing a tight monetary and credit policy, which strictly limits credits from the country's banks to the budget and to other sectors of economy. The task has been set of reducing the overall budget deficit for 1996 to 5.4 percent of gross domestic product (GDP), compared with 11.2 percent of GDP in the eight months following the introduction of the national currency in 1995. It should be noted that there will be a real reduction in virtually all types of budget expenditure, except for expenditure on the social security system and some other priority categories.

In the field of structural reforms, the program's aims cover the beginning of land reform and the further development of privatization. In the banking sector, the government is planning to introduce legislation that will allow the National Bank of Tajikistan to have complete control over monetary and credit policy on an independent basis. The reforms in the liberalization of domestic and foreign trade will continue. The government is also planning to maintain a single currency rate.

To protect the most vulnerable groups of the population against the consequences of the increase in fuel prices and tariffs for public transport and the rise in the price of bread, which was released from 1 March 1996, the government has increased the level of compensation payments. The program envisages strengthening and enhancing the extent to which the social security system is targeted. Reform of the pension fund is also planned.

The financing accord between the republic's authorities and the IMF under the first portion of credit is an initial step and is intended to lay the foundation for economic growth and provide an impetus for further reforms. In addition, the IMF considers that it will be necessary to continue assisting Tajikistan on very favorable terms in the next few years.

Matters concerning the IMF's subsequent policy toward Tajikistan were the main subject raised during a conversation between KHOVAR correspondent V. Lvov and the head of the IMF's permanent mission in the republic, Stephen (Gilmore):

[Question] First, the main thing: How will the IMF credit be used?

[Answer] Almost all the money allocated by the fund will be channelled to the country's official reserves in order to increase their value in convertible currency, which will help the republic to advance toward an

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acceptable balance of payments. For this purpose, you will have to normalize your relations with foreign creditors. The republic is facing a very difficult problem with foreign debt and the need to coordinate this matter with the creditor countries. Representatives of the government and National Bank met them in Washington in October. Bilateral talks are continuing now. The government has opened a special account in a highly rated bank and is making payments into it. This money will be used to cover the debt.

[Question] Could you tell us in more detail about the IMF's policy and recommendations for the social sphere in the Republic of Tajikistan?

[Answer] The experience of the member-countries of the IMF in successfully implementing stabilization programs shows that social expenditures are more efficient when they are targeted at the most needy group of population. Instead of subsidies to all, preference must be given to those who are really in need of help, such as poor elderly people and people with income lower than a certain level. The IMF is cooperating with other organizations in Tajikistan to render more targeted help for those who really need it. This policy has its own obvious social advantages. The government's economic program has lowered inflation, and its level must now continue to fall. This is absolutely necessary for those whose incomes are low. I have already noted that wages have increased and compensations are being paid. Budget expenditure for the social sphere will also be increased according to the growth in the level of gross domestic product.

[Question] What further steps will be taken by the IMF to cooperate with the local authorities in implementing economic programs?

[Answer] The local authorities are only taking the first steps in the process of reform. The IMF will continue closely to cooperate with them and to help with advice in developing policy. Visits by IMF members and experts will continue in future too. The IMF recently sent two experts to the republic's Finance Ministry and the National Bank.

[Question] Will the IMF introduce new recommendations on economic reforms aimed at stabilizing the situation?

[Answer] The process of economic reform is continuing. The main attention here is focused on achieving macroeconomic stabilization. The policy pursued in this requires the improvement of structural reconstruction. It is altogether likely that another IMF delegation, which will possibly discuss another program, will visit the republic in July-August to familiarize itself with the course of reforms.

[Question] Are there any impediments in the way of more efficient cooperation between the IMF and the government of Tajikistan?

[Answer] I do not see any serious impediments.

[Question] How do you assess the state of the national currency a year after its introduction?

[Answer] The best way of assessing the condition of a currency is to have a look at the market. The exchange rate of the Tajik ruble is stable. It has risen only slightly above the rate of November last year.

[Question] What radical measures, in your opinion, do the leaders of the state need to take to bring the country out of crisis?

[Answer] The word "radical" is, I think, inappropriate here. The leaders of the state have started reforms well this year, and they must be continued. However, unfortunately, the reforms lack firmness and stability, and the government must conduct a consistent and sensible policy. The market must be allowed to function and money circulation must be kept under control in order to keep the level of inflation low. Further steps are needed to strengthen the budget and increase targeted help to the most needy sections of population. Much work has yet to be done to reform enterprises and to coordinate them with the privatization process, including land reform. Efforts to improve financial sector operations must not falter, either. The reforms under way must have a sound legislative basis relevant to the market situation in the economy.

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Armenia

Armenia: Bagratyan: CIS Cooperation Should Be 'Seriously Adjusted'

LD2205110196 Moscow INTERFAX in English 0929 GMT 22 May 96

[FBIS Transcribed Text] YEREVAN, May 22 (Interfax-West) — The program of cooperation between the countries of the Commonwealth of Independent States should be seriously adjusted, Armenian Prime Minister Grant Bagratyan told Interfax Tuesday.

Following his talks with CIS Executive Secretary Ivan Korotchenya in Yerevan, Bagratyan said that the policy of placing state orders with enterprises should be altered. It is extremely important, he said, that a free trade regime be introduced in the CIS and that a so-called CIS "currency basket be created that might bring quick results."

He explained that he meant the unification of the CIS countries' currencies in accordance with each country's role in foreign trade.

He did not disclose details of the new initiative, but his staff said in an interview with Interfax that the idea was to create a supra-national currency, similar to the European ECU, which is expected to help avoid linking the current scheme of mutual payments with the U.S. dollar and allow the republics to save their currency resources.

Bagratyan said that Armenia had advanced this initiative two years before, although no decision on the issue had been taken because the decision-making process was blocked by the CIS republics' commercial banks which were not interested in the project.

Bagratyan's initiative was supported by Korotchenya, who told Interfax that the time which was available for creating a supranational currency was not used.

"Some of the CIS countries are advancing towards a customs union bypassing a stage important for all sides — the creation of a free trade zone," he said. That is wrong, he said.

Sometimes, political considerations prevail in decision-making, which is not typical of market relations, he continued.

"In this connection, the Interstate Economic Committee and other CIS agencies should be viewed from a different angle," he said.

On Wednesday, Korotchenya will continue his tour of the Trans-Caucasusian region. The Georgian capital of Tbilisi is the next city he is to visit.

Armenia: Yerevan May Join 4-Party Treaty on Deeper CIS Integration

LD2105183196 Moscow INTERFAX in English 1547 GMT 21 May 96

[FBIS Transcribed Text] YEREVAN, May 21 (Interfax-West) — Armenia may join the Treaty on Deeper Integration in the Economic and Social Areas signed by Belarus, Russia, Kyrgyzstan and Kazakhstan, Commonwealth of Independent States Executive Secretary Ivan Korotchenya announced in the Armenian capital, Yerevan, on Tuesday following his talks with Armenian President Levon Ter- Petrosyan.

Armenia will join the treaty step by step, he said, adding that Ter-Petrosyan "admits the differing speeds of integration within the CIS."

Korotchenya said he deemed it necessary to consolidate the efforts of the CIS foreign departments, adding that they should come out for international meetings with a unified position. For this purpose, it is reasonable to hold sessions of the Council of CIS Foreign Ministers in the run-up to various international forums, he said.

Representatives of the CIS Executive Secretariat should participate more actively in the settlement of military conflicts as observers, said Korotchenya. CIS Executive Secretariat representatives have participated as observers in talks on the peace settlement in Nagorno-Karabakh for about two years, he said, adding that the conflicting parties were positive about this.

"The CIS as an organization uniting sovereign countries will exist only until the leftists come to power, primarily in Russia," Korotchenya believes.

Armenia: Armenian Minister, U.S. Envoy Discuss Karabakh Settlement

LD2205200496 Moscow INTERFAX in English 1626 GMT 22 May 96

[FBIS Transcribed Text] YEREVAN, May 22 (Interfax) — Armenian Foreign Minister Vahan Papazyan and the U.S. Representative to the OSCE [Organization for Security and Cooperation in Europe] Minsk Group for Nagorno-Karabakh, Ambassador Joseph Pressel, discussed the progress of Nagorno-Karabakh settlement in Yerevan Wednesday.

In particular, the two officials considered the security of Nagorno-Karabakh and its future status at the confidential meeting, Interfax learned.

There is no such question as OSCE-Russian competition in Nagorno-Karabakh settlement, Armenian Foreign Ministry spokesman Armen Bagdasaryan told Interfax.

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Armenia supports a "harmonious combination of efforts by Russia and the OSCE," he said.

Armenian President Levon Ter-Petrosyan is expected to receive Pressel Thursday.

Pressel does not plan to visit Nagorno-Karabakh and will leave Yerevan directly for Baku Friday.

Armenia: Iranian-Armenian Power Supply Project Progressing

NC2205182496 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1800 GMT 22 May 96

[FBIS Transcribed Text] Yerevan ("AZG" daily), 05/22/96 — Based on the Iran-Armenia Power Supply project, energy system of Armenia will connect to that of the Islamic Republic of Iran.

Up to 65MWt power flow will be provided in the first stage, which will potentially grow to up to 200MWts in the future, executive head of the project office Mr. Yuri Avagyan reported. He said that high-voltage power lines should be built for implementation of the project. Construction operations already started in the territory of Iran. Some 10kms of power lines will be built there. The Armenian side will be partially involved in financing the construction operations in Iran, which later will be paid back in the form of electric power.

To provide the connection in Armenia, some 55kms of high voltage lines should be built in addition to reconstruction of the existing ones. Construction operations have not started in Armenia yet, and a tender for construction companies has been announced from 16 April till 5 June. According to the project, construction operations in Armenia are planned to be finished by the end of 1996.

Armenia: Deputy Speaker's 'Exclusive' Interview on Russian Politics

NC2205182296 Yerevan SNARK in English 1800 GMT 22 May 96

[FBIS Transcribed Text] Yerevan, May 22 (SNARK)— In an exclusive interview with SNARK, Vice-Speaker of the Armenian National Assembly Ara Sahakyan stated the world will take the return of Russia's Communists to power as tragedy.

Sahakyan said that Armenia like any other country, is greatly concerned about the developments in Russia. According to him, if Communists win the presidential elections, the world will take retaliate measures to regain the equilibrium of the situation.

Nevertheless, the results of the presidential elections will determine exclusively the fate of Russia, Sahakyan stressed. Although Russia is a powerful state but it does not have an absolute affect on the CIS countries. Significant changes and moves in the region will be inevitable. However Armenia, like before, will follow the path of independence and pursue its own political line, Sahakyan emphasized.

Sahakyan said that his attitude towards Yeltsin has been conditioned by the fact that Russia recognized Armenia's independence under Yeltsin's rule. Only a talented politician was able to carry out reforms and strengthen the prestige of Russian authorities in this hard times. According to him, Yeltsin's re- election for the next five years promises prosperity for Russia.

Georgia

Georgia: Russian Troops Celebrate Anniversary of Military District

LD2205193296 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 22 May 96

[Video report by Georgiy Ratishvili; from the "Novosti" newscast]

[FBIS Translated Text] For one day at least the servicemen of the Transcaucasus Military District were able forget about their financial difficulties. The 75th anniversary of the famous military district is being marked this week.

The celebrations were held at the compound of the legal successor of the Transcaucasus Military District, the headquarters of the Group of Russian Troops in the Transcaucasus [GRTT], and were attended by relatively few people. The planned laying of wreaths at the Tomb of the Unknown Soldier at Victory Park was cancelled. Visits to Georgia by Russian Defense Minister Pavel Grachev and Prime Minister Viktor Chernomyrdin did not materialize either. The GRTT command also refrained from inviting members of the Georgian Government. The trimming down of the festive program came as a result of a campaign waged by some public political forces in Georgia, which regarded the planned celebrations as an attempt to mark the 75th anniversary of Georgia's occupation. You may recall that the Transcaucasus Military District was formed in 1922, after the 11th Red Army entered Georgia and helped the Bolsheviks gain power.

[Begin recording of Deputy GRTT Commander V. Belchenko] I have to say it is a pity it has turned out like this and the Georgian parliament reacted the way it did to the celebration of the 75th anniversary. It is a great pity. We have always wished, and still

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wish the people Georgia peace, prosperity, and all the best. So I think this anniversary, on the contrary, should have contributed to the strengthening of friendship and understanding between the nations. [end recording]

Georgia: Russian, Georgian Officials Fail To Attend Army Jubilee

LD2205124596 Tbilisi BGI in Russian 1015 GMT 22 May 96

[FBIS Translated Text] [No dateline as received] — Celebrations to mark the 75th anniversary of the Transcaucasus military district were held at the headquarters of the Group of Russian Forces in the Transcaucasus [in Tbilisi] today. Reports that the celebrations would be attended by Russian Defense Minister Pavel Grachev and Russian Prime Minister Viktor Chernomyrdin proved to be incorrect.

Representatives of the Georgian authorities did not attend the celebrations either. Georgian Defense Minister Vardiko Nadibaidze, who, according to Georgian TV's "Alioni" news program had been invited, did not turn up. Georgian Defense Ministry officials observed the festive parade from ministry windows with interest.

Georgia: Attempt To Assassinate Russian General

LD2205144996 Moscow INTERFAX in English 1433 GMT 22 May 96

[FBIS Transcribed Text] TBILISI/MOSCOW, May 22 (Interfax) — A car belonging to the Russian troop command in the South Caucasus came under attack in the center of the Georgian capital, Tbilisi, on Wednesday, well-informed sources in the Georgian law-enforcement bodies told Interfax Wednesday.

A deputy commander of the Russian troops in the South Caucasus, Maj. Gen. Vasiliy Belchenko, was in the car, the sources said. The attackers opened fire at the car at 3:20 p.m., breaking the front and rear windows. Fortunately, no one was hurt in the attack.

The sources had no doubts that the attackers aimed to kill the commander of the Russian troops in the South Caucasus, Col.Gen. Fedor Reut, who was driving ahead of the attacked car.

The attackers anticipated that Reut would be in the second car, as is usual for security purposes. However, Reut and his deputy decided to change cars.

Georgia: Embassy in Moscow Denies Report on Attempt To Kill General

LD2205155096 Moscow ITAR-TASS World Service in Russian 1435 GMT 22 May 96

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 22 May — The press service of the Georgian Embassy in Moscow has denied the information from a source in the power structures in the Russian capital alleging that an armed attack was carried out in Tbilisi today on the car in which Colonel General Fedor Reut, the commander of the Group of Russian Troops in the Transcaucasus, was travelling.

Ineza Makalatia, the embassy press service's spokeswoman, told an ITAR-TASS correspondent that "there was no attack whatsoever against commander Reut's car." Referring to information received from the Georgian head of state's administration, she explained that "at the moment the colonel general is not in Tbilisi, he's in Yerevan."

Ineza Makalatia said that, according to Georgian Security Ministry information, "it was in fact a stone" that hit the windscreen of the car of Vasiliy Belchenko, the deputy commander, and "the stone was found." "There was no assassination attempt," Ineza Makalatia said, quoting the report by the Georgian Ministry of Security.

Georgia: Shevardnadze Seen Balancing Between Russia, Turkey, West

MK2305105696 Moscow KOMMERSANT-DAILY in Russian 22 May 96 p 4

[Report by Georgiy Dvali: "Eduard Shevardnadze Is In Quest of a Geopolitical Balance"]

[FBIS Translated Text] A few days ago, information channels in Tbilisi reported that the command of the GRVZ (Group of Russian Troops in Transcaucasia) had decided to celebrate publicly the 75th anniversary of the creation of the Transcaucasian Military District. Large-scale festivities have been planned, including imposing fireworks and a parade of GRVZ forces. Official invitations have been sent to President Boris Yeltsin, Premier Viktor Chernomyrdin, and Defense Minister Pavel Grachev. The leadership of Georgia has learned about a possible visit of such distinguished guests from mass media. This information sparked off a great scandal in Georgia.

Opposition parties have given their traditional assessment of this event: The Russian troops are going to cerebrate the 75th anniversary of occupation of Georgia (the Transcaucasian Military District was created in

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May 1921 as a result of the short-distance double-time forced march of the 11th Army under the command of Sergo Ordzhonikidze, which created conditions for the proclamation of the Georgian Soviet Socialist Republic). The stance of the national radicals is quite explicable, but this time they were unexpectedly backed by a parliamentary majority forming the core of the Georgian Citizens Union, Shevardnadze's party.

Zurab Zhvania, chairman of the Georgian parliament, has called the festivities planned by the GRVZ leadership an insult to the Georgian people. The information about a possible visit of the Russian president and the prime minister has evoked a still greater indignation of the parliamentarians, since neither the Foreign Ministry nor the presidential staff knew anything about this visit. In the deputies' opinion, by so doing, Russia wants to produce an impression that Georgia is in reality nothing but its oblast, devoid of any sovereignty. At the same time, such a behavior of the parliament speaker (one of the most faithful associates of the head of state) can hardly be interpreted as other than the reflection of the stance of Shevardnadze himself.

Such a supposition could look strange had it not fitted in well with the general context of Shevardnadze's foreign (as well as domestic) policy. On one hand, Georgia has announced its intention to establish relations of strategic partnership with Russia. On the other, it is doing everything for the rapprochement with Turkey and Europe. On one hand, a treaty on military bases has been concluded with Russia. On the other, however, this treaty has not been ratified yet, and Georgia has joined the NATO Partnership for Peace program and has signed an individual agreement on the cooperation with this alliance.

Shevardnadze himself is characterizing this policy as a quest for geopolitical balance. Speaking about the CIS, Shevardnadze almost never fails to mention the importance for Georgia to integrate into the Black Sea Economic Community, created in 1992 on the initiative of Turkey. Trying to improve economic ties with Russia, he is simultaneously looking actively (and not without success) for alternative ways to import raw materials and products. Moreover, Georgia is becoming a link between Central Asia, Azerbaijan, and Europe, since it participates in the projects on the transportation of Caspian crude oil to the West; a Transcaucasian railroad via Turkey to Europe; the transportation of Turkmen gas to Turkey along the Caspian-Azerbaijan-Georgia route; the transportation of Uzbek cotton in transit via Georgia and the Black Sea ports of Poti and Batumi; and, finally, the transportation of Russian gas to Georgia in transit via Western Georgia. Obviously, Shevardnadze is trying to turn Georgia into an important factor of Eurasian transit transportation and thus create exterior conditions for its independence.

Balancing on geopolitical controversies between Russia and Turkey, Shevardnadze is going to strengthen Georgian statehood by imparting a geopolitical function to it. Since Georgia will probably have to resign itself to the loss of Abkhazia, Shevardnadze chooses to compensate for this loss by pursuing an independent, pro-Western, rather than a loyal, pro-Russian, policy.

Georgia: CIS Executive Secretary Arrives, Holds Meetings on Abkhazia

LD2205164796 Tbilisi Radio Tbilisi Network in Georgian 1200 GMT 22 May 96

[FBIS Translated Excerpt] CIS Executive Secretary Ivan Korotchenya has arrived in Tbilisi on a two-day working visit. He held meetings today with Georgian President Eduard Shevardnadze, Foreign Minister Irakli Menagharishvili, and leaders of the Autonomous Republic of Abkhazia. [passage omitted]

CIS Executive Secretary Korotchenya arrived in Tbilisi on 22 May. Today, Korotchenya had a meeting with the leadership of the Autonomous Republic of Abkhazia and deputies of the Supreme Council of the Autonomous Republic of Abkhazia.

Tamaz Nadareishvili, chairman of the Supreme Council of the Autonomous Republic of Abkhazia, spoke about Abkhaz issues. He gave a negative assessment to the activities of the peacekeeping forces and indicated that the 19 January CIS summit resolution on imposing a blockade on the separatist government of Abkhazia was not being implemented. He also said that the peacekeeping forces were smuggling non-ferrous metals and citrus fruit from Abkhazia and smuggling in drugs. Abkhazia has become a transit road for drugs, he said.

Korotchenya said during the meeting that it was necessary to create a mechanism for controlling the implementation of CIS resolutions on Abkhaz issues in Georgia. He emphasized that he would convey the information he received during the visit to representatives of the CIS countries and Boris Yeltsin, chairman of the CIS council. [passage omitted]

[Begin Korotchenya recording, in Russian] I presume that the peacekeeping forces are performing the duties imposed on them. There probably exist certain problems, especially as far as the fourth matter [not further specified] brought to my attention today is concerned. I will study it closely and try to inform the Boris Nikolayevich, chairman of the Council of CIS Heads of State, as soon as possible. I hope this is not biased and one-sided information. As for the status of the forces, it is

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a serious issue and is fully dependent on a decision to be taken by the Council of CIS Heads of State. It depends neither on me nor even on Boris Nikolayevich personally, although he is the chairman of the council. This should be a collective job and a collective decision. [end recording] [passage omitted]

Georgia: Russian Embassy Denies Property Deal With Abkhazia

LD2205135696 Tbilisi IBERIA in Georgian 0930 GMT 22 May 96

[FBIS Translated Text] Tbilisi, 22 May — An IBERIA correspondent has been told at the Russian Embassy in Georgia that reports alleging that the Russian Government had decided that Russia would take over sanatoriums in Abkhazia did not correspond to reality. An embassy spokesman told the IBERIA correspondent that Russia recognized Georgia's territorial integrity and that property on the territory of Abkhazia belonged to the state of Georgia.

Georgia: Abkhaz Premier: Conflict Solution at 'Complete Standstill'

LD2205114696 Moscow INTERFAX in English 1122 GMT 22 May 96

[FBIS Transcribed Text] TBILISI, May 22 (Interfax-West) — The solution of the Georgian-Abkhazian conflict is now at a complete standstill, Abkhaz Prime Minister Zurab Erkvania said Wednesday [22 May] at the meeting with Commonwealth of Independent States Executive Secretary Ivan Korotchenya, who has come to Tbilisi as part of a tour of the Trans-Caucasian region.

This is primarily caused by "the complete inactivity of the peacekeeping contingent in Abkhazia under the command of General Yakushev," he said.

In addition, Georgia cannot join the Customs Union of CIS countries and refuses to sign several important documents within the Commonwealth "because more than 12 percent of its territory is under the control of separatists," Erkvania said. "The republic will be unable to fulfill commitments stipulated by the agreements even if it strongly wishes to," he said.

Erkvania believes it is necessary to introduce "the toughest economic sanctions against the regime of separatists headed by Vladislav Ardzinba."

Korotchenya recognized that the international community, including the CIS, is not making full use of its opportunities to settle the Georgian-Abkhazian conflict. This is due to the fact that "there are no documents on the mechanism related to implementing the resolutions adopted and control over their execution in the Commonwealth, he said.

"Such a mechanism was not worked out deliberately at the early stages of the Commonwealth's creation due to the desire of the republics' leaders 'to run far away' from Russia which was associated with the totalitarian power of the time of the Soviet Union," Korotchenya said.

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Estonia

Estonia: NATO, Estonian Delegation Hold 'Intensive Dialogue'

LD2205223596 Tallinn Estonian Television Network in Estonian 1800 GMT 22 May 96

[FBIS Translated Text] For the first time in history, NATO and Estonia held an intensive dialogue today. This is a significant step on Estonia's path toward NATO membership. The second round will be held in June or July and will focus on state budget and defense issues.

Despite Russia's protests, NATO continues to study its potential member-states. A three-hour meeting took place between Gebhardt von Moltke, NATO assistant secretary general for political affairs, and the Estonian delegation led by Margus Kolga, acting deputy chancellor of the Estonian Defense Ministry.

Every country develops intensive dialogue with NATO independently. This way NATO recognizes sovereign states and not geopolitical regions. Currently, neither side — neither the Estonian nor NATO delegation — wants to answer a simple question: whether, and if then when, Estonia will become a NATO member.

So far Estonia is continuing to move closer to NATO, and NATO is allowing this to happen. Margus Kolga, leader of the Estonian delegation, said after the end of the first round of intensive dialogue a few hours ago in Brussels that NATO had a favorable attitude toward Estonia.

Estonia: First Day of New Border Talks With Russia Reviewed

WS2305081296 Tallinn BNS in English 1915 GMT 22 May 96

[FBIS Transcribed Text] Tallinn, May 22, BNS — The first day of talks at the current round of Estonian-Russian border negotiations ended without noticeable advancement.

The delegations did a lot of work concerning the borderline on Lake Peipus, Estonia's chief negotiator Raul Malk told BNS.

He said it was difficult to predict when the adjustment of the borderline would be completed. "The most complicated questions always remain till the end of talks," he observed.

Malk said Estonian negotiators approached the two days of talks with the Russian delegation headed by Ambassador Vasily Svirin equipped with flexibility and readiness to find solutions. "We'll try to discuss and make progress in questions that are of interest and of importance to us," he said.

He said the meeting in Pskov, Russia discussed only questions concerning the land boundary, as the Russian side had requested that sea border problems not be put on the agenda for this round of talks.

The Estonian-Russian negotiations that have been underway for more than a year have made no progress in questions of importance recently. Estonia still holds that the Tartu Peace Treaty is the cornerstone of its statehood and insists on this principle being fixed in a political declaration to a border agreement.

Russia has so far refused to give recognition to the peace treaty.

Prime Minister Tiit Vahi said Tuesday the government had not given the delegation permission to retreat from the demand that Moscow recognize the Tartu Peace Treaty.

He said the Cabinet had decided that Estonia would not seek the return of disputed territories and that the talks would focus on the adjustment of the temporary control line.

Regarding the border pact, the two parties have failed to reach agreement on the exact demarcation of the borderline on Lake Peipus and in four areas bordering southeast Estonia. Russia is seeking the changing of the present control line in the northern part of the lake and in its narrowest part, while Tallinn would like the borderline changed so that four villages situated across its southeastern boundary would remain on Estonian territory.

Estonia: Swedish Armed Forces Chief Ends Visit

LD2205191196 Tallinn Radio Tallinn Network in Estonian 1200 GMT 22 May 96

[FBIS Translated Excerpt] General Owe Wiktorin, commander in chief of the Swedish Armed Forces, has been on a two-day visit to Estonia. He spent yesterday mostly familiarizing himself with Estonia, and his meetings today focused on specific defense issues. Erik Samel reports:

[Begin recording] [Samel] Estonia is currently in the process of defining new principles of state defense. Colonel Johannes Kert, commander of the Estonian Defense Forces, said that discussions with Wiktorin focused primarily on issues which can be resolved jointly.

[Kert] Many things in Estonian society have changed and are changing. When we have changed our political

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system and are changing our economic system, then, naturally, the old stereotypes cannot be applied to state Defense. It is quite natural that we are looking for new approaches in state Defense, and the sooner we adopt them the better for us.

[Samel] During Wiktorin's visit, the continuation of Swedish assistance with training was discussed. One significant area of Swedish support is mine clearance in Estonian waters.

[Kert] This is a lot of work and our naval officers, NCOs and seamen, take part in this mission and are learning to do this work properly. So in the future we will have our own teams who can be used to carry out such missions.

[Samel] For example, Sweden has given Estonia radio stations and border guard vessels. The talks this morning discussed Swedish aid to Estonian land troops, the air force, and the navy. The General Staff of the Estonian Defense Forces will work out a specific assistance request and a more precise agreement will be reached thereafter.

[Wiktorin in English, with superimposed Estonian translation] There is quite clearly a conclusion from this morning's discussion, to the effect that we are going to continue to contribute toward Estonia's Defense capability. [passage omitted] [end recording]

Estonia, Sweden: Former Estonian Minister on Military Threat

BR2305065496 Stockholm DAGENS NYHETER in Swedish 21 May 96 p 4

["Debate" article by Hain Rebas,] former Estonian defense minister 1992-93 and currently security policy advisor to Estonia's supreme commander: "Real Threat of War Against Estonia"

[FBIS Translated Text] In the Debate section of DAGENS NYHETER on 17 March Colonel Bo Pellnas maintained that "a democratic Russia" was just as great a threat to the Baltic countries as a communist dictatorship. In cooperation with Finland and Denmark Sweden should therefore contribute as quickly as possible to a military build-up in the Baltic countries. Because in Sweden's interests the Baltic countries must quickly be brought up to a military level which would force an aggressor to mount a relatively extensive operation.

Pellnas' idea might sound plausible, but there are other and better alternatives. And a fundamentally "democratic Russia" would hardly dare to start threatening any of its neighbors. But regardless of who wins the presidential election in the summer, the threat to the independence of the Baltic states remains; in this respect the colonel is undoubtedly right. The Russian road to Western democracy is long.

Like all intelligent people, Pellnas realizes that it is primarily the civilian structures in the Baltic countries that should be supported. This is already being done, by Sweden among others, and in a splendid way. Democratic control is undeniably a must for the general process of normalization in these countries.

As long as the relatively weak condition of Russian forces continues — something that has been so clearly demonstrated in Chechnya — Pellnas continues, "even limited rearmament efforts in the Baltic countries might have the effect of promoting security." Because in Sweden materiel and training personnel are being released which should be put at the Balts' disposal. But, according to Pellnas, it should also be possible to transfer "more modern material" to the Baltic countries now.

Pellnas' concrete views certainly [illegible]se sympathy among Estonians, Latvians, and Lithuanians, and democratic Russians. The explanation for this is the general tenor of official Russian policy, such as the Duma's recent decision to declare withdrawal from the Soviet Union invalid. This attracted justified international attention. But there are many examples.

Typical Soviet holidays, such as Army Day on 23 February, Labor Day on 1 May, and Victory Day on 9 May, were celebrated more magnificently this year than they had been for some time. For the grandiose reunification with Belarus, both czarist and Soviet imperial ceremony was used. All the presidential candidates, except for Yavlinskiy, seem to be vying with each other to demonstrate major ambitions for power.

In this context it is primarily the lilliputian country of Estonia which is being subjected to a coordinated and unparalleled propaganda offensive. Not only old Russian so-called internationalists, but also presidential candidates, leading ministers, parliamentarians, diplomats, military men, and Russian politicians in the Estonian parliament, and in addition, the Moscow patriarchate of the Russian Orthodox Church — are at present all trying on the broadest possible front to misinform the world about the current circumstances and destabilize the situation in Estonia in particular.

Meanwhile well-organized and aggressive Cossacks, successors to the democracy smashers of czarist times, are installing themselves in abandoned farms on Estonia's south-eastern border. On 1 April of this year President Yeltsin appointed former KGB Lieutenant-General Semenov as their chief. They now number about 25,000 men throughout Russia. A number of statements calling for the military integration of the entire CIS [Com-

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monwealth of Independent States] — something tht has already happened between Russia and the heavily militarized Belarus — means in principle a reestablishment of the Soviet Army.

As we know, large parts of the Russian press are now again controlled by the state. The press mixes fiction and fact on the orders of the authorities.

Like Chechnya in the autumn of 1994, Estonia is now depicted as a drug-ridden, arms-exporting, and criminalized ghetto with pure and unadulterated apartheid on the agenda.

The Estonians have the highest living standard and the most liberal citizenship law in the whole former Soviet Union, and in addition cultural autonomy for national minorities. This is where the chance of being able to integrate the country's Russians is greatest. But as a result Moscow would also lose the chance to use them as permanently dissatisfied sources of unrest. Through the state information agency, Russian television is subjected to heavy- handed censorship in the old glavlit style. It is once again His Master's Voice which counts. It is the one that briefs foreign journalists in Moscow.

At the micro-level an Estonian diplomat was expelled from Moscow with great hullabaloo — as an official reaction against Estonia's discreet request that a Russian diplomat in Tallinn, who was involved in espionage, be sent home.

Popular leader Yuriy Mishin in Narva openly urges opposition to the Estonian constitution which was approved in a referendum. He is trying to get certain elements in Russia to intervene against the alleged mistreatment of Estonia's Russians and presumably also to have northeastern Estonia at least ceded to Russia.

So far no one has hurt a single hair on a Russian head in Estonia, despite half a century of totalitarian occupation, including thousands of murders, two sweeping deportations, and controlled mass immigration by non-Estonian speakers.

On the other hand, around 100,000 Russian speakers have been given Estonian citizenship in recent years. This gives democrats both here and there a degree of hope.

Meanwhile people in circles involved in the total defense of Estonia are unsure about whose money has actually built up strategic internal markets such as energy and the press, radio, and television in Estonia. By manipulating these and the systematically-misinformed Russian-speaking population group, Russian revanchists could easily bring about political changes in the desired direction. It is well-known in Tallinn that the KGB invested heavily in both people and businesses in Estonia in 1989-90. "Banks, not tanks" seems to be the currently prevailing strategy.

But in addition to all this, there is now the pure threat of war. From the president down, through advisors and high-level military officers, it is stated in clear terms that Estonian membership of NATO would be taken as an outright declaration of war.

In April a semiofficial defense policy research institute published statements in the Russian press which said that it is true that the aggressive NATO is the chief enemy. But "within the former Soviet Union army, police, and other paramilitary groups in the Baltic republics are to be seen as the primary enemies."

As far as new military conflicts are concerned, the Baltic countries would be "the most explosive region." This is particularly true, it was stated, if "certain forces in the former Soviet Union, primarily in the Baltic countries, are integrated into the NATO bloc." It was suggested that Russia should respond with a nuclear threat.

When requested the Russian Government has in the past distanced itself from similar reports. But that was not the case this time. It stands unchallenged.

The coauthor of this work, a certain Dr. Surikov, explained the situation by giving the following answer in an interview (POSTIMEES, Tartu 27/4): "Russian troops will immediately invade Estonia, if Estonia joins NATO."

The threat could hardly be made more specific.

It cannot be expressed more clearly.

In response Sweden, according to Colonel Pellnas, is now supposed to contribute training personnel and materiel "of a more modern type" as well. But the problem does not lie in Estonia!

No reasonable person wants to invest hundreds of millions of crowns [currency not specified] in military equipment if it can be avoided. Estonia still has an enormous amount left to do with the country's nonmilitary structures, before it can adequately meet people's needs. And hardly anyone would want to see a militarization of the country and its people, either in the country or outside it. The main problem lies not in the Baltic countries but in the former Soviet Union. It is there that all available Western efforts should be concentrated.

Instead of arming the little Baltic region, the West, with Sweden in the vanguard, should assist in disarming Russia in the interests of all good and normal Russians.

It is true at the same time that most Russian military units are in bad shape. But for obscure reasons units

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such as the 76th land airborne guards division are still deployed in Pskov, the 1071th spetsnaz regiment in Petseri, right on the Estonian border, and the 336th marine infantry brigade in Kaliningrad. They are relatively well-trained and in good form. They occasionally get real training down in Chechnya.

What is more, in April the Pskov commandos twice carried out exercises in reinforced landings of airborne troops for the first time in three years. According to the IISS (International Institute for Strategic Studies) they have 6,000-7,000 men and 300 BMD [expansion unknown] armoured artillery vehicles. Their intelligence capability was strengthened considerably in 1995. And it looks like they will not fall under the limitations of the CFE treaty. Their special operational assignments are clearly considered extraordinarily important in Moscow.

Some of the approximately 800 spetsnaz soldiers in Petseri were formerly based in Viljandi in the middle of Estonia. There is thus a good knowledge of people and places to help in carrying out combat assignments which normally consist, aomng other things, of cutting the throats of key enemy personnel (leading politicians and military men).

In Kaliningrad, according to the IISS, there are 24,000 men, 870 tanks, 980 armoured artillery vehicles, 410 artillery pieces, and 62 attack helicopters still waiting for better days. In addition, there are a considerable number of naval and airborne units in the immediate vicinity of the Baltic countries.

Estonia does not have a single tank, and no artillery either, no planes, and no navy to speak of. Including border guards, the Estonians maintain perhaps 5,000-6,000 armed infantry, and hardly have the means or the experience to operate in units larger than companies. The discrepancy with mighty Russia, with its army of 1.5 million, and its coordinated propaganda machine, is almost poignant.

Bearing in mind the Baltic countries' weak defenses, which are also one hundred percent defensive, you have to ask why the Russians must keep such specifically offensive units in the immediate vicinity of the Baltic countries. Do they have to be so big? And so well-armed?

What then is Sweden's task in this situation? Would not friendly moderation of Russia's aggressive foreign policy in neighboring areas and in the long run a reduction in Russian arms and disarmament be considerably better objectives for coordinated Swedish and Nordic foreign and security policy than arming the Baltic states?

In this, Sweden, which is traditionally nonaligned and involved in peace efforts, could make a major and lasting contribution to the benefit of Sweden and the entire region. So that we could finally in good conscience begin to wind up antiquated military units in this country as well.

Estonia: Interior Ministry Officials Trafficked in Small Arms

WS2205120696 Tallinn BNS in English 0907 GMT 22 May 96

[FBIS Transcribed Text] Tallinn, May 22, BNS — The Estonian State Prosecutor's Office Tuesday started proceedings against Interior Ministry officials who sold and gave away for free nearly 15,000 pistols confiscated in 1992 from a company based in Izhevsk, Russia, the EESTI PAEVALEHT daily informs.

"It is depressing and astounding that things like that could go on in one of the country's most vital central departments," was State Prosecutor Indrek Meelak's comment.

Heads of the ministry's economic division trafficked in Makarov pistols in 1992-1994 under ministers Lagle Parek, Heiki Arike and Kaido Kama.

According to EESTI PAEVALEHT, most of the pistols were given away for free or sold cheaply to a special service, a security service and the defense forces, even though the division had no right to trade in arms.

Part of the weapon consignment was sold to private companies and individuals. The prosecutor's office says at least 200 guns were sold to individuals.

The arms trade had close links with the Vardur Ltd. Company the director and deputy director of the economic division established in October 1992. The daily claims the ministry officials sold to their company 767,000 kroons' worth of ammunition and weapons at prices below their market value.

The investigation of the case is in the hands of the security police.

Estonia: Permission Granted To Open 3 Polling Stations for Russians

LD2205204796 Tallinn Estonian Television Network in Russian 1545 GMT 22 May 96

[FBIS Translated Text] The Estonian Ministry of Foreign Affairs sent the Russian Embassy in Tallinn a note saying that the Estonian Ministry of Foreign Affairs has no objections against carrying out Russian presidential elections in Estonia for Russian citizens living in the country. Estonia gave permission to open polling stations in the Embassy in Tallinn, consulate in Narva, and the office of consular department in Tartu.

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The Ministry of Foreign Affairs did not rule out the possibility that additional polling stations could be opened in Estonian towns with a large number of Russian citizens. In order to obtain a positive solution to this issue, the Estonian Ministry of Foreign Affairs insists on Russia submitting an accurate list of Russian citizens living in Estonia as of 1 June 1996.

Latvia

Latvia: Latvian, Ukrainian Parliament Heads Sign Cooperation Memo

LD2205163896 Kiev UNIAN in Ukrainian 1240 GMT 22 May 96

[FBIS Translated Text] Riga — Ukrainian Supreme Council Chairman Oleksandr Moroz and Latvian Saeima Speaker Ilga Kreituse on 22 May signed a memorandum on cooperation between the two countries' parliaments. The document envisages regular meetings between parliament leaders, commissions, and factions at international parliamentary forums. The sides will keep each other informed about legislative developments and promote direct ties between national parliamentary libraries.

Moroz and Kreituse exchanged instruments of ratification on the Ukrainian-Latvian Friendship and Cooperation Treaty, signed on 23 May 1995 in Riga.

Latvia: Ukrainian Speaker Addresses Latvian Parliament

LD2305102296 Riga Radio Riga Network in Latvian 0801 GMT 23 May 96

[FBIS Translated Text] A delegation of the Ukrainian Supreme Council led by its chairman Oleksandr Moroz is continuing its visit to Latvia. Addressing the Latvian deputies this morning, Moroz thanked them for Latvia's support in Ukraine's accession to the Council of Europe. He stressed that in the future relations can develop not only between Latvia and Ukraine but also between the Black Sea Assembly and the Baltic Assembly.

A friendship and cooperation agreement was concluded between the two countries last November and the parliaments of the two countries ratified it.

[Riga Radio Riga Network in Latvian at 0900 GMT on 23 May broadcasts another report on Ukrainians Supreme Council Chairman Oleksandr Moroz addressing the Latvian Saeima session today which points out that Moroz "called on the Latvian deputies to take part in an international conference which could be held in Kiev to discuss the creation of a new European security model. The conference could also examine the role of the UN and the Organization for Security and Cooperation in Europe in this process.

"Oleksandr Moroz also pointed out that the Saeima should tackle the issue of granting citizenship to members of the 80,000-strong Ukrainian minority in Latvia."]

Latvia: Ukrainian Speaker, Saeima Officials Discuss NATO

LD2205195996 Riga Radio Riga Network in Latvian 1600 GMT 22 May 96

[FBIS Translated Text] Ukraine (?rejects) the easterly expansion of NATO and believes that security in Europe would be guaranteed by disarmament and [word indistinct] to be free of nuclear weapons. This view was expressed today at a meeting with the Saeima Commissions on Defense and Foreign Affairs by Ukrainian Supreme Council Chairman Oleksandr Moroz.

The Latvian side, for its part, expressed a desire to join both the NATO and the European Union, because they would be guarantors of Latvia's security.

Deputy Saeima Chairman Andris Ameriks emphasized that Latvia (?is active in) cooperation with Ukraine, as it is the second biggest country in Europe.

Latvia: Ukrainian Parliament Chairman 'Worried' Over NATO Plans

WS2305081496 Tallinn BNS in English 1915 GMT 22 May 96

[FBIS Transcribed Text] Riga, May 22, BNS — Ukraine is worried about NATO plans to expand eastwards and considers that security in Europe can be guaranteed by disarmament and setup of zones free of nuclear arms.

Such an opinion was voiced Wednesday by Ukrainian Supreme Council Chairman Oleksandr Moroz during his meeting with Latvian Saeima's Foreign Affairs as well as Defense and Intrerior Affairs committees, BNS was told in the Saeima's press center.

In turn, Latvian representatives emphasized the country's desire to join both NATO and the European Union saying it would be a security guarantor for Latvia.

Saeima Deputy Speaker Andris Ameriks stressed that cooperation with NATO is important for Latvia as it wants to preserve its statehood.

He said that cooperation with Ukraine is very significant for Latvia because Ukraine is the second largest country in Europe. Both sides said they are ready to further strengthen friendship and cooperation in different spheres.

Moroz and a Ukrainian delegation met Wednesday with Saeima Speaker Ilga Kreituse, Finance Minister Aivars

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Kreituss and state minister Juris Sinka. Talks were held also between Latvian and Ukrainian parliaments' cooperation groups and faction representatives.

On May 23, Moroz will address the Saeima deputies, meet with Prime Minister Andris Skele and visit the Ukrainian High School in Riga.

Latvia: Moroz Expresses Concern Over Status of Ethnic Ukrainians

LD2205172696 Kiev UNIAN in Ukrainian 1240 GMT 22 May 96

[FBIS Translated Text] Riga, 22 May — Ukrainian Supreme Council Chairman Oleksandr Moroz, who is in Latvia on an official visit, expressed concern over the status of 70,000 ethnic Ukrainians in Latvia, only 4,300 of whom have been granted Latvian citizenship. He told Latvian Deputy Speaker Andris Ameriks that failure to grant citizenship to ethnic Ukrainians was an unacceptable violation of their political and socioeconomic rights.

The Ukrainian speaker urged the Ukrainian-Latvian interparliamentary cooperation group to examine problems of the status of Latvia's second largest ethnic minority. He called on the group to design a "formula that would diffuse tension among Latvian Ukrainians."

Saeima Deputy Speaker Ameriks agreed that Ukrainians in Latvia should not feel any socioeconomic discrimination. He said, however, that the Saeima, despite the absence of a party majority, had reached consensus on the laws on citizenship and the status of former Soviet citizens in Latvia, passed by the previous parliament.

Lithuania

Lithuania: Diplomats Worried About Congressmen's Proposal on NATO

LD2305121996 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 22 May 96

[FBIS Translated Text] Lithuania is not pleased with the statement by Republicans in the U.S. Congress urging the immediate enlargement of NATO at the same time postponing the admission of the Baltic countries to the alliance. Lithuanian diplomats stressed that the expansion of NATO eastward must not proceed at the expense of the security of some associate members of the European Union.

Lithuania should start joining NATO together with Poland, otherwise other our security may deteriorate, since relations with Russia would be destabilized, said a high-ranking official of the [Lithuanian] Ministry of Foreign Affairs in an interview with the BALTIC NEWS SERVICE. The official was commenting on a statement by Republicans in the U.S. House of Representatives in which the congressmen advocated immediate admission to NATO of some Central European countries, at the same time indefinitely postponing the membership of other countries. The Republican political committee of the House of Representatives said that NATO must admit Poland, Hungary, and the Czech Republic with no delay. The Baltic states and other countries of the former Warsaw Pact should be admitted as soon as possible, said the statement of the committee which was released on Tuesday. According to the [Lithuanian] diplomats, leaving these countries behind the NATO border would not only separate them from the community of democratic nations but would also create a security vacuum in the heart of Europe. However, diplomats in Vilnius note that the security vacuum could also be created by separating some of the present NATO member candidates, leaving them in an indefinite situation.

For Lithuania, one of the arguments for starting the process of joining NATO together with Poland is the fact that both countries form a special geopolitical entity because of they are neighbors of Russia's Kaliningrad region.

Lithuania: Pro-Chechen Protest Against Russian Deputy PM's Visit

LD2305101396 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 23 May 96

[FBIS Translated Text] Elena Svediene, a representative of the Lithuanian committee for the defense of the Chechen independence, reported that the committee chose to greet visiting Russian Deputy Prime Minister Aleksey Bolshakov to highlight the fact that Russia continues to carry out most horrible atrocities against the Chechen nation. They have assembled in front of the Seimas [parliament] and are carrying Lithuanian and Chechen national flags and posters. The committee demands an end to the Chechen war and recognition of the Chechen Republic's independence.

Lithuania: IAEA Official: Ignalina Power Station's Future Uncertain

LD2205134596 Moscow ITAR-TASS in English 1202 GMT 22 May 96

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS May 22 (Itar-Tass) — At present it is impossible to forecast the future of the Ignalina Nuclear Power Plant. "It is only after complicated technical and economic examinations and calculation, that it will be possible to decide what to do with the power units: to close them down or

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to modernize them," says Viktor Morogov, Deputy Director of the International Atomic Energy Agency (IAEA). National radio quoted today the words from his speech at an international seminar in Vilnius: "The Ignalina NPP is one of the safest NPPs in the former USSR."

Povilas Vaisnis, head of the Lithuanian State Inspectorate on the Safety of Nuclear Power Engineering, believes that when resolving the problem of the Ignalina NPP, it is necessary to cooperate more closely with the St. Petersburg, Smolensk and Kursk NPPs, which have similar reactors. Regular consultations and meetings of specialists are needed, he stressed.

The Lithuanian government decided to stop once and for all the first of the two nuclear reactors of the Ignalina NPP, which will cost several hundred million U.S. dollars.

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